

CYPRESS SEMICONDUCTOR CORP /DE/

Form S-4

December 19, 2014

Table of Contents

As filed with the Securities and Exchange Commission on December 19, 2014

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CYPRESS SEMICONDUCTOR CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3674
(Primary Standard Industrial
Classification Code Number)
198 Champion Court

94-2885898
(I.R.S. Employer
Identification Number)

San Jose, California 95134

(408) 943-2600

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

T.J. Rodgers

President and Chief Executive Officer

Cypress Semiconductor Corporation

198 Champion Court

San Jose, California 95134

(408) 943-2600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

| | | | |
|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| Larry W. Sonsini, Esq. | Thad Trent | Katy Motiey, Esq. | Gordon K. Davidson, Esq. |
| Michael S. Ringler, Esq. | Executive Vice President, | Corporate Senior Vice | David W. Healy, Esq. |
| WILSON SONSINI | Finance and | President, General Counsel | Daniel J. Winnike, Esq. |
| GOODRICH & ROSATI | Administration and Chief | and Secretary | FENWICK & WEST LLP |
| PROFESSIONAL | Financial Officer | SPANSION INC. | Silicon Valley Center |
| CORPORATION | CYPRESS | 915 DeGuigne Drive | 801 California Street |
| 650 Page Mill Road | SEMICONDUCTOR | P.O. Box 3453 | Mountain View, |
| Palo Alto, California | CORPORATION | Sunnyvale, California | California 94041 |
| 94304 | 198 Champion Court | 94088 | (650) 988-8500 |
| (650) 493-9300 | San Jose, California 95134 | (408) 962-2500 | |
| | (408) 943-2600 | | |

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Share | Proposed | Amount of Registration Fee (3) |
|---|-------------------------------|--|--|-----------------------------------|
| | | | Maximum Aggregate Offering Price | |
| Cypress Common Stock, \$0.01 par value per share | 214,979,940 (1) | N/A | \$2,837,525,213 (2) | \$329,721 |

(1) Reflects the estimated maximum number of shares of common stock, \$0.01 par value per share, of Registrant to be issued in connection with the proposed merger of Mustang Acquisition Corporation, a wholly owned subsidiary of Registrant, with and into Spansion Inc., as described herein. The number of shares of common stock is based on the estimated number of shares of Spansion Inc. stock outstanding and reserved for issuance as of December 17, 2014 and the exchange of each such share of Spansion Inc. common stock for shares of the Registrant's common stock pursuant to the exchange ratio set forth in the Merger Agreement, dated as of December 1, 2014, by and among the Registrant, Spansion Inc. and Mustang Acquisition Corporation.

(2)

Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the Registrant's common stock was calculated based upon the market value of shares of Spansion Inc. common stock (the securities to be canceled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (A) \$32.43, the average of the high and low prices per share of Spansion Inc. common stock on December 17, 2014, as reported in the consolidated reporting system, multiplied by (B) 87,496,923, the estimated maximum number of shares of Spansion Inc. common stock outstanding and reserved for issuance as of December 17, 2014.

- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$116.20 per \$1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. No securities may be sold until a registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities, nor shall there be sale of these securities, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful.

PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 19, 2014

**TO THE STOCKHOLDERS OF CYPRESS SEMICONDUCTOR CORPORATION AND SPANSION INC.
MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

[]

Dear stockholders,

The boards of each of Cypress Semiconductor Corporation (Cypress) and Spansion Inc. (Spansion) have unanimously approved the merger of a wholly owned subsidiary of Cypress with and into Spansion, with Spansion surviving as a wholly owned subsidiary of Cypress. If the proposed merger is completed, Spansion stockholders will receive 2.457 shares of Cypress common stock for each share of Spansion common stock they own immediately prior to the effective time of the merger, and Cypress stockholders will continue to own their existing shares, which will not be adjusted by the merger.

Cypress stockholders, on the one hand, and former Spansion stockholders, on the other hand, are each expected to hold approximately 50% of the fully diluted shares of Cypress common stock following the completion of the merger based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of Spansion's exchangeable 2.00% senior notes. Following the merger, T.J. Rodgers, the current President and Chief Executive Officer of Cypress, will be the President and Chief Executive Officer of the combined company. The Cypress board will consist of four directors from the current Cypress board, including Mr. Rodgers and Eric Benhamou, and four directors from the current Spansion board, including John H. Kispert and Raymond Bingham, the Spansion chairman, who will serve as the non-executive chairman of the Cypress board. The combined company will continue to be called Cypress Semiconductor Corporation.

Cypress common stock trades on the Nasdaq Global Select Market under the ticker symbol CY. As of [], the last trading day before the date of this joint proxy statement/prospectus, the last reported sales price of Cypress common stock at the end of regular trading hours, as reported on the Nasdaq Global Select Market, was \$[].

Spansion common stock trades on the New York Stock Exchange under the ticker symbol CODE. As of [], the last trading day before the date of this joint proxy statement/prospectus, the last reported sales price of Spansion common stock at the end of regular trading hours, as reported on the New York Stock Exchange, was \$[].

Cypress and Spansion cannot complete the merger unless Cypress stockholders approve the issuance of shares of Cypress common stock in connection with the merger and Spansion stockholders adopt the merger agreement and

approve the transactions contemplated by the merger agreement. The obligations of Cypress and Spansion to complete the merger are also subject to the satisfaction or waiver of several other conditions to the merger. More information about Cypress, Spansion and the merger is contained in this joint proxy statement/prospectus. **We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 19 of this joint proxy statement/prospectus.**

After careful consideration, the boards of each of Cypress and Spansion have unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of the Cypress and Spansion stockholders, respectively, and the board of each of Cypress and Spansion has approved the merger agreement.

The Cypress board unanimously recommends that Cypress stockholders vote FOR the proposal to approve the issuance of shares of Cypress common stock in the merger. The Spansion board unanimously recommends that Spansion stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

The proposals are being presented to the respective stockholders of each company at their special meetings. The dates, times and places of the meetings are as follows:

For Cypress stockholders:

Special Meeting of Stockholders

[] at 10:00 a.m., local time

Cypress principal executive offices located at:

198 Champion Court

San Jose, California 95134

For Spansion stockholders:

Special Meeting of Stockholders

[] at 10:00 a.m., local time

Spansion's principal executive offices located at:

915 DeGuigne Drive

Sunnyvale, California 94085

Your vote is very important. Whether or not you plan to attend your respective company's meeting, please take the time to vote by completing and returning the enclosed proxy card to your respective company or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares are held in street name, you must instruct your broker in order to vote.

Sincerely,

T.J. Rodgers
President and Chief Executive Officer
Cypress Semiconductor Corporation

John H. Kispert
President and Chief Executive Officer
Spansion Inc.

None of the Securities and Exchange Commission, any state securities regulator or any regulatory authority has approved or disapproved of these transactions or the securities to be issued under this joint proxy statement/prospectus or determined if the disclosure in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], and is first being mailed to stockholders of Cypress and Spansion on or about [].

Table of Contents

Cypress Semiconductor Corporation

198 Champion Court

San Jose, California 95134

(408) 943-2600

NOTICE OF SPECIAL MEETING OF CYPRESS STOCKHOLDERS

To the Stockholders of Cypress Semiconductor Corporation:

Cypress Semiconductor Corporation will hold its special meeting of stockholders at Cypress' principal executive offices located at 198 Champion Court, San Jose, California, on [] at 10:00 a.m., local time. Cypress is holding the meeting to consider the proposal to approve the issuance of shares of Cypress common stock in connection with the merger of Mustang Acquisition Corporation, a wholly owned subsidiary of Cypress, with and into Spansion, with Spansion surviving as a wholly owned subsidiary of Cypress, as contemplated by the Agreement and Plan of Merger and Reorganization, dated as of December 1, 2014 (which we refer to as the merger agreement), by and among Cypress, Spansion and Mustang Acquisition Corporation.

The Cypress board has approved the merger agreement and the transactions contemplated by the merger agreement by unanimous vote, and unanimously recommends that you vote FOR the proposal to issue shares of Cypress common stock in connection with the merger, which is described in detail in the joint proxy statement/prospectus.

Holders of record of Cypress common stock at the close of business on [], are entitled to vote at the meeting. A list of stockholders eligible to vote at the Cypress special meeting will be available for inspection at the special meeting and at the offices of Cypress in San Jose, California, during regular business hours for a period of no less than 10 days prior to the special meeting.

You can vote your shares by completing and returning a proxy card. Most stockholders can also vote over the Internet or by telephone. If Internet and telephone voting are available to you, you can find voting instructions in the materials accompanying the joint proxy statement/prospectus. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the enclosed joint proxy statement/prospectus. Even if you plan to attend the Cypress special meeting in person, Cypress requests that you sign and return the enclosed proxy, or vote over the internet or by telephone, to ensure that your shares will be represented at the Cypress special meeting if you are unable to attend.

FOR THE BOARD,

Thad Trent
Executive Vice President,
Finance and Administration
and Chief Financial Officer

[]

San Jose, California

Table of Contents

Spansion Inc.

915 DeGuigne Drive

P.O. Box 3453

Sunnyvale, California 94088

NOTICE OF SPECIAL MEETING OF SPANSION STOCKHOLDERS

To the Stockholders of Spansion Inc.:

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of Spansion Inc., a Delaware corporation, will be held on [], at 10:00 a.m., local time, at 915 DeGuigne Drive, Sunnyvale, California 94085 to consider the following matters:

1. to adopt the Agreement and Plan of Merger and Reorganization, dated as of December 1, 2014 (which we refer to as the merger agreement), by and among Spansion, Cypress Semiconductor Corporation and Mustang Acquisition Corporation, and approve the transactions contemplated by the merger agreement;
2. to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger; and
3. to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Any action on the items of business described above may be considered at the special meeting at the time and on the date specified above or at any time and date to which the special meeting may be properly adjourned or postponed.

After careful consideration, the Spansion board unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of the Spansion stockholders and has unanimously approved the merger agreement. The Spansion board unanimously recommends that the Spansion stockholders vote FOR the merger proposal, FOR the compensation proposal and FOR the adjournment proposal.

You are entitled to vote at and attend the special meeting only if you were a Spansion stockholder as of the close of business on [] or hold a valid proxy for the special meeting.

The special meeting will begin promptly at 10:00 a.m., local time. Check-in will begin at [] a.m., local time, and you should allow ample time for the check-in procedures.

Your vote is very important. Whether or not you plan to attend the special meeting, you are encouraged to read the joint proxy statement/prospectus and submit your proxy or voting instructions for the special meeting as soon as possible. You may submit your proxy or voting instructions for the special meeting by completing,

Table of Contents

signing, dating and returning the proxy card or voting instruction card in the pre-addressed envelope provided. Even if you plan to attend the Spansion special meeting in person, Spansion requests that you sign and return the enclosed proxy, or vote over the Internet or by telephone, to ensure that your shares will be represented at the Spansion special meeting if you are unable to attend. For specific instructions on how to vote your shares, please refer to the section entitled *The Spansion Special Meeting* beginning on page 34 of the joint proxy statement/prospectus.

By Order of the Board,

Katy Motiey, Corporate Senior Vice President,

General Counsel and Secretary

[]

Sunnyvale, California

Table of Contents

TABLE OF CONTENTS

| | Page |
|--|-------------|
| <u>ADDITIONAL INFORMATION</u> | iv |
| <u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u> | v |
| <u>General Questions and Answers</u> | v |
| <u>Questions and Answers for Cypress Stockholders</u> | vii |
| <u>Questions and Answers for Spansion Stockholders</u> | ix |
| <u>SUMMARY</u> | 1 |
| <u>Treatment of Spansion Securities</u> | 1 |
| <u>Information about the Companies</u> | 1 |
| <u>Market Price of Cypress and Spansion Common Stock</u> | 2 |
| <u>The Special Meeting of Cypress Stockholders</u> | 2 |
| <u>The Special Meeting of Spansion Stockholders</u> | 3 |
| <u>The Merger</u> | 4 |
| <u>The Merger Agreement</u> | 6 |
| <u>SELECTED HISTORICAL FINANCIAL DATA OF CYPRESS</u> | 10 |
| <u>SELECTED HISTORICAL FINANCIAL DATA OF SPANSION</u> | 12 |
| <u>SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION OF CYPRESS AND SPANSION</u> | 15 |
| <u>UNAUDITED COMPARATIVE PER SHARE DATA</u> | 16 |
| <u>COMPARATIVE PER SHARE MARKET PRICE DATA</u> | 18 |
| <u>RISK FACTORS</u> | 19 |
| <u>Risk Factors Relating to the Merger</u> | 19 |
| <u>Risk Factors Relating to the Combined Company Following the Merger</u> | 23 |
| <u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION</u> | 26 |
| <u>Operating Factors</u> | 26 |
| <u>Transaction-Related Factors</u> | 26 |
| <u>INFORMATION ABOUT THE COMPANIES</u> | 28 |
| <u>THE CYPRESS SPECIAL MEETING</u> | 30 |
| <u>Date, Time and Place of Cypress Special Meeting</u> | 30 |
| <u>Purpose of Cypress Special Meeting</u> | 30 |
| <u>Who Can Vote at the Cypress Special Meeting</u> | 30 |
| <u>Vote Required for Approval</u> | 30 |
| <u>Adjournments</u> | 31 |
| <u>Share Ownership of Directors and Executive Officers of Cypress</u> | 31 |
| <u>Voting Procedures</u> | 31 |
| <u>Revoking Proxies or Voting Instructions</u> | 32 |
| <u>Shares Held in Street Name</u> | 32 |
| <u>Tabulation of Votes</u> | 32 |
| <u>How You Can Reduce the Number of Copies of Cypress Proxy Materials You Receive</u> | 32 |
| <u>Cost of Proxy Distribution and Solicitation</u> | 32 |
| <u>CYPRESS PROPOSAL 1: THE MERGER AGREEMENT AND THE MERGER</u> | 33 |
| <u>THE SPANSION SPECIAL MEETING</u> | 34 |
| <u>Date, Time and Place of Spansion Special Meeting</u> | 34 |
| <u>Purpose of Spansion Special Meeting</u> | 34 |

| | |
|--|----|
| <u>Who Can Vote at the Spansion Special Meeting</u> | 34 |
| <u>Vote Required for Approval</u> | 35 |
| <u>Adjournments</u> | 35 |
| <u>Share Ownership of Directors and Executive Officers of Spansion</u> | 36 |
| <u>Voting Procedures</u> | 36 |
| <u>Revoking Proxies or Voting Instructions</u> | 37 |

Table of Contents

| | |
|---|-----|
| <u>Shares Held in Street Name</u> | 37 |
| <u>Tabulation of Votes</u> | 37 |
| <u>How Can You Reduce the Number of Copies of Spansion's Proxy Materials You Receive</u> | 37 |
| <u>Cost of Proxy Distribution and Solicitation</u> | 38 |
| <u>SPANSION PROPOSAL 1: THE MERGER AGREEMENT AND THE MERGER</u> | 39 |
| <u>SPANSION PROPOSAL 2: ADVISORY VOTE TO APPROVE MERGER-RELATED COMPENSATION FOR SPANSION NAMED EXECUTIVE OFFICERS</u> | 39 |
| <u>SPANSION PROPOSAL 3: POSSIBLE ADJOURNMENT TO SOLICIT ADDITIONAL PROXIES, IF NECESSARY OR APPROPRIATE</u> | 40 |
| <u>THE MERGER</u> | 41 |
| <u>Background of the Merger</u> | 41 |
| <u>Reasons for the Merger</u> | 51 |
| <u>Overview</u> | 51 |
| <u>Recommendation of the Cypress Board</u> | 51 |
| <u>Opinion of the Cypress Financial Advisor</u> | 54 |
| <u>Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor</u> | 59 |
| <u>Interests of the Directors and Executive Officers of Cypress in the Merger</u> | 63 |
| <u>Executive Compensation Payable in Connection with the Merger</u> | 63 |
| <u>Recommendation of the Spansion Board; Spansion's Reasons for the Merger</u> | 63 |
| <u>Opinion of the Spansion Financial Advisor</u> | 67 |
| <u>Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor</u> | 75 |
| <u>Interests of the Directors and Executive Officers of Spansion in the Merger</u> | 78 |
| <u>Stock Options, Restricted Stock Units and Performance Stock Units</u> | 79 |
| <u>Recent Equity Awards</u> | 80 |
| <u>Change of Control Severance Agreements</u> | 82 |
| <u>Indemnification of Directors and Officers; Directors and Officers Insurance</u> | 83 |
| <u>Board of the Combined Company</u> | 84 |
| <u>Executive Compensation Payable in Connection with the Merger</u> | 84 |
| <u>Golden Parachute Compensation</u> | 84 |
| <u>THE MERGER AGREEMENT</u> | 88 |
| <u>The Merger</u> | 88 |
| <u>Closing and Effective Time of the Merger</u> | 88 |
| <u>Treatment of Securities</u> | 89 |
| <u>Representations and Warranties</u> | 92 |
| <u>Conduct of Business before Completion of the Merger</u> | 93 |
| <u>Cypress and Spansion are Required to Terminate Any Existing Discussions with Third Parties and are Prohibited from Soliciting Other Offers</u> | 96 |
| <u>Obligations of each of the Cypress and Spansion Boards with Respect to its Recommendation and Holding a Meeting of its Stockholders</u> | 98 |
| <u>Joint Proxy Statement/Prospectus</u> | 100 |
| <u>Efforts to Complete and Regulatory Matters</u> | 100 |
| <u>Public Announcements</u> | 101 |
| <u>Spansion Employee Benefits; 401(k) Plans</u> | 101 |
| <u>Indemnification and Insurance</u> | 101 |
| <u>Listing of Cypress Common Stock</u> | 102 |
| <u>Takeover Statutes</u> | 102 |
| <u>Cypress and Spansion Insiders</u> | 102 |
| <u>Tax Matters</u> | 102 |

| | |
|---|-----|
| <u>Cypress Governance Matters after the Merger</u> | 103 |
| <u>Conditions to Obligations to Complete the Merger</u> | 103 |

-ii-

Table of Contents

| | |
|--|-----|
| <u>Material Adverse Effect</u> | 105 |
| <u>Termination: Fees and Expenses</u> | 106 |
| <u>Material United States Federal Income Tax Consequences of the Merger</u> | 110 |
| <u>Accounting Treatment of the Merger</u> | 112 |
| <u>Regulatory Filings and Approvals Required to Complete the Merger</u> | 112 |
| <u>Listing of Shares of Cypress Common Stock Issued in the Merger on the Nasdaq Global Select Market</u> | 113 |
| <u>Delisting and Deregistration of Spansion Common Stock After the Merger</u> | 113 |
| <u>Registration of Shares of Cypress Common Stock Received in the Merger</u> | 113 |
| <u>No Appraisal Rights</u> | 113 |
| <u>UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</u> | 114 |
| <u>DESCRIPTION OF CYPRESS CAPITAL STOCK</u> | 128 |
| <u>FUTURE STOCKHOLDER PROPOSALS</u> | 136 |
| <u>LEGAL MATTERS</u> | 137 |
| <u>EXPERTS</u> | 137 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u> | 137 |

Table of Contents

ADDITIONAL INFORMATION

This accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Cypress and Spansion from documents that are not included in or delivered with this joint proxy statement/prospectus. You can obtain the documents incorporated by reference in the joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the addresses and telephone numbers listed below. To obtain timely delivery, you must request the information no later than five business days before you must make your investment decision.

Cypress Semiconductor Corporation

198 Champion Court

San Jose, California 95134

Attention: Investor Relations

(408) 943-2656

<http://investors.cypress.com/contactus.cfm>

Spansion Inc.

915 DeGuigne Drive P.O. Box 3453

Sunnyvale, California 94088

Attention: Investor Relations

(408) 962-2500

investor.relations@spansion.com

In addition, if you have questions about the merger or the special meetings, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy cards, election forms or other documents incorporated by reference in the joint proxy statement/prospectus, you may contact the appropriate contact listed above. You will not be charged for any of the documents you request.

In order for you to receive timely delivery of the documents in advance of the Cypress special meeting, Cypress should receive your request no later than [].

In order for you to receive timely delivery of the documents in advance of the Spansion special meeting, Spansion should receive your request no later than [].

For a listing of documents incorporated by reference into this joint proxy statement/prospectus, please see the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

General Questions and Answers

The following questions and answers briefly address some commonly asked questions about the Cypress special meeting, the Spansion special meeting and the merger. These questions and answers may not include all the information that is important to stockholders of Cypress and Spansion. Cypress and Spansion urge stockholders to read carefully this entire joint proxy statement/prospectus, including the annexes and the other documents referred to herein. Page references are included in this summary to direct you to more detailed discussions elsewhere in this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Cypress and Spansion have agreed to combine their businesses in accordance with terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

In order to complete the merger, Cypress stockholders must approve the issuance of shares of Cypress common stock in connection with the merger and Spansion stockholders must adopt the merger agreement and approve the transactions contemplated by the merger agreement. Cypress will hold a special meeting of its stockholders and Spansion will hold a special meeting of its stockholders to obtain these approvals. Each of Cypress and Spansion is also asking its stockholders to approve other matters in connection with its special meeting that are described in this joint proxy statement/prospectus. This joint proxy statement/prospectus contains important information about the merger and the stockholder meetings of each of Cypress and Spansion, and you should read it carefully. For Cypress stockholders, the enclosed voting materials for the Cypress special meeting allow Cypress stockholders to vote shares of Cypress common stock without attending the Cypress special meeting. For Spansion stockholders, the enclosed voting materials for the Spansion special meeting allow Spansion stockholders to vote shares of Spansion common stock without attending the Spansion special meeting.

Stockholder votes are important. Cypress and Spansion encourage stockholders of each company to vote as soon as possible. For more specific information on how to vote, please see the questions and answers for each of the Cypress and Spansion stockholders below.

Q Why are Cypress and Spansion proposing the merger? (see page 50)

A: After reviewing strategic alternatives to address the opportunities and challenges facing our companies, the boards of both Cypress and Spansion reached the same conclusion *this merger represents the best strategic alternative for our respective companies.*

Specifically, Cypress and Spansion believe the merger will provide certain strategic and financial benefits, including the following:

a reduction in costs and other synergies;

an increase in product development capabilities;

greater depth of relationships with customers and a broader portfolio of complementary products;

enhanced opportunities for growth and innovation; and

creating a company that would be a leading provider of microcontrollers and specialized memory chips for embedded systems.

-v-

Table of Contents

Q: When do Cypress and Spansion expect to complete the merger?

A: Cypress and Spansion currently expect to complete the merger in the first half of 2015. However, neither Cypress nor Spansion can predict the exact timing of the completion of the merger because the merger is subject to governmental and regulatory review processes and other conditions.

Q: What effects will the proposed merger have on Cypress and Spansion?

A: Upon completion of the proposed merger, Spansion will cease to be a publicly traded company and will be wholly owned by Cypress, which means that Cypress will be the only stockholder of Spansion. As a result, Spansion stockholders will own shares in Cypress only and will not directly own any shares in Spansion and Cypress stockholders will continue to own their Cypress shares. Following completion of the merger, the registration of Spansion's common stock and its reporting obligations with respect to its common stock under the Securities Exchange Act of 1934 will be terminated. In addition, upon completion of the proposed merger, shares of Spansion common stock will no longer be quoted on the New York Stock Exchange or any other stock exchange or quotation system.

Q: What happens if the merger is not completed?

A: If the merger is not completed for any reason, Spansion stockholders will not receive any shares of Cypress common stock for their shares of Spansion common stock pursuant to the merger agreement or otherwise. Instead, Cypress and Spansion will remain separate public companies, and each company expects that its common stock will continue to be registered under the Securities Exchange Act of 1934 and traded on their applicable exchanges. In specified circumstances, either Cypress or Spansion may be required to pay to the other party a termination fee, as described in *The Merger Agreement – Termination; Fees and Expenses* beginning on page 106 of this joint proxy statement/prospectus.

Q: How do the Cypress and Spansion boards recommend that I vote? (see pages 51 and 63)

A: The Cypress board unanimously recommends that Cypress stockholders vote **FOR** the proposal to issue shares of Cypress common stock in connection with the merger.

The Spansion board unanimously recommends that Spansion stockholders vote **FOR** the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement, **FOR** the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger and **FOR** the proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Q: Are the Cypress stockholders or Spansion stockholders entitled to appraisal rights?

A: No neither Cypress stockholders nor Spansion stockholders are entitled to appraisal rights for their shares under Delaware law in connection with the merger.

Q: What should I do now?

A: Please review this joint proxy statement/prospectus carefully and vote as soon as possible. Most Cypress and Spansion stockholders may vote over the Internet or by telephone. Stockholders may also vote by signing, dating and returning each proxy card and voting instruction card received.

-vi-

Table of Contents

Q: What should I do if I receive more than one set of voting materials?

A: Please vote each proxy card and voting instruction card that you receive. You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, stockholders who hold shares in more than one brokerage account will receive a separate voting instruction card for each brokerage account in which shares are held. If shares are held in more than one name, stockholders will receive more than one proxy or voting instruction card. In addition, if you are a stockholder of both Cypress and Spansion, you may receive one or more proxy cards or voting instruction cards for Cypress and one or more proxy cards or voting instruction cards for Spansion. If you are a stockholder of both Cypress and Spansion, please note that a vote for the issuance of shares in connection with the merger for the Cypress special meeting will not constitute a vote for the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement for the Spansion special meeting, and vice versa. Therefore, please vote each proxy and voting instruction card you receive, whether from Cypress or Spansion.

Questions and Answers for Cypress Stockholders

Q: When and where is the Cypress special meeting?

A: The special meeting of Cypress stockholders will be held at 10:00 a.m., local time, on [], at Cypress principal executive offices located at 198 Champion Court, San Jose, California 95134. Check-in will begin at [], local time. Please allow ample time for the check-in procedures.

Q: How can I attend the Cypress special meeting?

A: Cypress stockholders as of the close of business on [], and those who hold valid proxies for the special meeting are entitled to attend the Cypress special meeting. Cypress stockholders should be prepared to present photo identification for admittance. In addition, names of record holders will be verified against the list of record holders on the record date prior to being admitted to the meeting. Cypress stockholders who are not record holders but who hold shares through a broker or nominee (i.e., in street name), should provide proof of beneficial ownership on the record date, such as their most recent account statement prior to [], or other similar evidence of ownership. If Cypress stockholders do not provide photo identification or do not comply with the other procedures outlined above upon request, they will not be admitted to the Cypress special meeting.

Q: What matters will Cypress stockholders vote on at the special meeting?

A: Cypress stockholders will vote on the proposal to approve the issuance of shares of Cypress common stock in connection with the merger.

Q:

How many votes are needed for the proposal considered by Cypress stockholders at the Cypress special meeting?

- A: Assuming a quorum of Cypress stockholders are present at the Cypress special meeting, an affirmative vote of the majority of shares present in person or represented by proxy at the Cypress special meeting is required to approve the issuance of shares of Cypress common stock in connection with the merger. Thus, the failure to submit a proxy card or attend the meeting in person will have no effect on this proposal. Any abstentions or broker non-votes, i.e. the failure to instruct your bank or broker how to vote if you hold your shares in street name, will have the effect of a vote against this proposal.

Q: What is the quorum requirement for the Cypress special meeting?

- A: A quorum of Cypress stockholders will be present at the Cypress special meeting if holders of a majority of Cypress stock issued and outstanding and entitled to vote are present in person or represented by proxy.

-vii-

Table of Contents

Your shares will be counted towards such quorum only if you submit a valid proxy (or one is submitted on your behalf by your bank or broker) or if you attend the Cypress special meeting in person. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the Cypress special meeting or holders of a majority of the votes present at the Cypress special meeting may adjourn the Cypress special meeting to another time or date. If you do not attend the meeting or submit a proxy, it will be more difficult for Cypress to obtain the necessary quorum to approve the proposal to be considered by Cypress stockholders at the Cypress special meeting.

Q: As a Cypress stockholder, how can I vote?

A: Stockholders of record as of the record date may vote in person by attending the Cypress special meeting or by mail by completing, signing and dating a proxy card or, if you hold your shares in street name, a voting instruction form. Proxies and voting instruction forms submitted by mail must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Cypress special meeting. Most stockholders can also vote over the Internet or by telephone. Cypress stockholders can find voting instructions in the materials accompanying this joint proxy statement/prospectus. The Internet and telephone voting facilities will close at [], Eastern Time, on []. Please be aware that Cypress stockholders who vote over the Internet may incur costs such as telephone and Internet access charges for which they will be responsible.

The method by which Cypress stockholders vote will in no way limit the right to vote at the meeting if you later decide to attend in person. If shares are held in street name, Cypress stockholders must obtain a proxy, executed in their favor, from their broker or other holder of record, to be able to vote at the meeting.

All shares entitled to vote and represented by properly completed proxies received prior to the Cypress special meeting and not revoked will be voted at the meeting in accordance with your instructions. If a signed proxy card is returned without indicating how shares should be voted on a matter and the proxy is not revoked, the shares represented by such proxy will be voted as the Cypress board unanimously recommends and therefore **FOR** the issuance of shares in connection with the merger.

For a more detailed explanation of the voting procedures, please see the section entitled *The Cypress Special Meeting Voting Procedures* beginning on page 31 of this joint proxy statement/prospectus.

Q: As a Cypress stockholder, may I change my vote after I have submitted a proxy card or voting instruction card?

A: Yes. Cypress stockholders may revoke a previously granted proxy or voting instruction at any time prior to the closing of the polls at the special meeting by:

signing and returning a later dated proxy or voting instruction card for the Cypress special meeting;

voting again online or by telephone, as more fully described on your notice or proxy card; or

attending the Cypress special meeting and voting in person, as described in the section entitled *The Cypress Special Meeting* beginning on page 30 of this joint proxy statement/prospectus.

If your shares are held by a bank or broker, you may change your vote by submitting new voting instructions to your bank, broker, trustee or agent, or, if you have obtained a legal proxy from your bank or broker giving you the right to vote your shares, by attending the Cypress special meeting and voting in person.

Only the last submitted proxy or voting instruction card will be considered. Please submit a proxy or voting instruction card for the Cypress special meeting as soon as possible.

-viii-

Table of Contents

Q: What do Cypress stockholders need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. In order for Cypress shares to be represented at the special meeting, Cypress stockholders can (1) vote through the Internet or by telephone by following the instructions included on their proxy card, (2) indicate on the enclosed proxy card how they would like to vote and return the proxy card in the accompanying pre-addressed postage paid envelope, or (3) attend the Cypress special meeting in person.

Q: Who can answer questions?

A: Cypress stockholders with questions about the merger or the proposal to be voted on at the Cypress special meeting or who desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

[]

If you need additional copies of this joint proxy statement/prospectus or voting materials, contact [] as described above or Cypress Investor Relations at <http://investors.cypress.com/contactus.cfm> or by telephone at (408) 943-2656.

Questions and Answers for Spansion Stockholders

Q: Why are Spansion stockholders receiving this joint proxy statement/prospectus?

A: In order to complete the merger, Spansion stockholders must adopt the merger agreement and approve the transactions contemplated by the merger agreement. This joint proxy statement/prospectus contains important information about the proposed merger, the merger agreement and the Spansion special meeting, which should be read carefully. The enclosed voting materials allow Spansion stockholders to vote shares without attending the Spansion special meeting. The vote of Spansion stockholders is very important. Spansion stockholders are encouraged to vote as soon as possible.

Q: What will Spansion stockholders receive in the merger?

A: If the proposed merger is completed, at the effective time of the merger, Spansion stockholders will be entitled to receive 2.457 shares of Cypress common stock for each share of Spansion common stock that they own. Cypress will not issue any fractional shares of common stock in connection with the merger. Instead, each Spansion stockholder who would otherwise be entitled to receive a fraction of a share of Cypress common stock will receive (after aggregating all fractional shares of Cypress common stock that otherwise would be received by such Spansion stockholder) an amount of cash (rounded down to the nearest whole cent), without interest, equal to the amount obtained by multiplying such fraction of a share by the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the completion of the merger. Cypress

stockholders, on the one hand, and former Spansion stockholders, on the other hand, are each expected to own approximately 50% of the fully diluted shares of Cypress common stock following the completion of the merger based on each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes.

Q: What if I have Spansion stock options?

A: Each outstanding option to purchase shares of Spansion common stock, whether or not exercisable, will be converted into an option to acquire Cypress common stock, on the same terms and conditions as were

-ix-

Table of Contents

applicable to such Spansion stock option prior to the effective time of the merger, except that the number of shares for which such option is or may become exercisable (rounded down to the nearest whole shares of Cypress common stock) and the exercise price of the option will be adjusted to reflect the exchange ratio (which price per share will be rounded up to the nearest whole cent).

Q: What if I have Spansion restricted stock units?

A: Each Spansion restricted stock unit award and performance stock unit award will be converted into an award to receive shares of Cypress common stock on the same terms and conditions that were applicable to such Spansion restricted stock unit award or performance stock unit award prior to the effective time of the merger, except that the number of shares subject to the award will be adjusted to reflect the exchange ratio (rounded down to the nearest whole share of Cypress common stock).

Q: What are the material United States federal income tax consequences of the merger to Spansion stockholders?

A: The transaction is intended to be a tax-free reorganization for United States federal income tax purposes. If the merger qualifies as a reorganization, Spansion stockholders will not recognize any gain or loss, for federal income tax purposes, with respect to the shares of Cypress common stock they receive in the merger. However, Spansion stockholders will recognize gain or loss on any fractional shares of Cypress common stock for which cash is received in lieu of a fractional share.

Q: When and where is the Spansion special meeting?

A: The special meeting of Spansion stockholders will be held at 10:00 a.m., local time, on [] at 915 DeGuigne Drive, Sunnyvale, California 94085. Check-in will begin at [] a.m., local time. Please allow ample time for the check-in procedures.

Q: How can I attend the Spansion special meeting?

A: Spansion stockholders as of the close of business on [] and those who hold a valid proxy for the special meeting are entitled to attend the Spansion special meeting. Spansion stockholders should be prepared to present photo identification for admittance. In addition, names of record holders will be verified against the list of record holders on the record date prior to being admitted to the meeting. Spansion stockholders who are not record holders but who hold shares through a broker or nominee (i.e., in street name) should provide proof of beneficial ownership on the record date, such as their most recent account statement prior to [], or other similar evidence of ownership. If Spansion stockholders do not provide photo identification or comply with the other procedures outlined above upon request, they will not be admitted to the Spansion special meeting.

Q: What matters will Spansion stockholders vote on at the special meeting?

A: Spansion stockholders will vote on the following proposals:

to adopt the merger agreement and approve the transactions contemplated by the merger agreement;

to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger; and

to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

-X-

Table of Contents

Q: How many votes are needed for the proposals considered by Spansion stockholders at the Spansion special meeting?

A: The proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of Spansion common stock outstanding on the record date. Approval of the compensation proposal and the adjournment proposal each requires the affirmative vote of a majority of the votes cast by the holders of shares of Spansion common stock present in person or represented by proxy at the Spansion special meeting and entitled to vote on the proposal.

Q: What is the quorum requirement for the Spansion special meeting?

A: A quorum of Spansion stockholders will be present at the Spansion special meeting if holders of a majority of Spansion common stock issued and outstanding and entitled to vote thereat are present in person or represented by proxy. Your shares will be counted towards such quorum only if you submit a valid proxy (or one is submitted on your behalf by your bank or broker) or if you vote in person at the Spansion special meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the Spansion board or holders of a majority of the votes present at the Spansion special meeting may adjourn the Spansion special meeting to another time or date. If you do not vote, it will be more difficult for Spansion to obtain the necessary quorum to approve the proposals to be considered by Spansion stockholders at the Spansion special meeting.

Q: As a Spansion stockholder, how can I vote?

A: Stockholders of record as of the record date may vote in person by attending the Spansion special meeting or by mail by completing, signing and dating a proxy card or, if you hold your shares in street name, a voting instruction form. Proxies and voting instruction forms submitted by mail must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Spansion special meeting.

Most stockholders can also vote over the Internet or by telephone. The availability of Internet and telephone voting for shares held in street name will depend on the voting processes of your broker or other nominee. If Internet and telephone voting are available, Spansion stockholders can find voting instructions in the materials accompanying this joint proxy statement/prospectus. The Internet and telephone voting facilities will close at 11:59 p.m., Eastern Time, on []. Please be aware that Spansion stockholders who vote over the Internet may incur costs such as telephone and Internet access charges for which they will be responsible.

The method by which Spansion stockholders vote will in no way limit the right to vote at the meeting if you later decide to attend in person. If shares are held in street name, Spansion stockholders must obtain a proxy, executed in their favor, from their broker or other holder of record, to be able to vote at the meeting.

Failure by a Spansion stockholder to submit a proxy, or instruct a broker or nominee to vote, as the case may be, will have the effect of a vote against the merger proposal, but it will have no effect on the compensation proposal or the adjournment proposal, assuming a quorum is present.

All shares entitled to vote and represented by properly completed proxies received prior to the Spansion special meeting and not revoked will be voted at the meeting in accordance with your instructions. If a signed proxy card is returned without indicating how shares should be voted on a matter and the proxy is not revoked, the shares represented by such proxy will be voted as the Spansion board unanimously recommends and therefore **FOR** the merger proposal, the compensation proposal and the adjournment proposal.

For a more detailed explanation of the voting procedures, please see the section entitled *The Spansion Special Meeting Voting Procedures* beginning on page 34 of this joint proxy statement/prospectus.

-xi-

Table of Contents

Q: As a Spansion stockholder, what happens if I do not vote?

A: Failure to vote or give voting instructions to your broker or nominee for the Spansion special meeting could make it more difficult to meet the voting requirement that the total votes cast on the merger proposal represent over 50% of the outstanding shares of Spansion common stock entitled to vote thereon. Therefore, Spansion urges Spansion stockholders to vote.

Q: As a Spansion stockholder, may I change my vote after I have submitted a proxy card or voting instruction card?

A: Yes. Spansion stockholders may revoke a previously granted proxy or voting instruction at any time prior to the special meeting by:

signing and returning a later dated proxy or voting instruction card for the Spansion special meeting; or

attending the Spansion special meeting and voting in person, as described in the section entitled *The Spansion Special Meeting* beginning on page 34 of this joint proxy statement/prospectus.

Only the last submitted proxy or voting instruction card will be considered. Please submit a proxy or voting instruction card for the Spansion special meeting as soon as possible.

Q: Should Spansion stock certificates be sent in now?

A: No. If the merger is completed, Spansion stockholders will receive written instructions for sending in any stock certificates they may have.

Q: What do Spansion stockholders need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes. In order for Spansion shares to be represented at the special meeting, Spansion stockholders can (1) vote through the Internet or by telephone by following the instructions included on their proxy card, (2) indicate on the enclosed proxy card how they would like to vote and return the proxy card in the accompanying pre-addressed postage paid envelope, or (3) attend the Spansion special meeting in person.

Q: Who can answer questions?

A:

Spancion stockholders with questions about the merger or the other matters to be voted on at the Spancion special meeting or who desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

[]

[]

[]

Toll Free: []

Banks and Brokerage Firms: []

If you need additional copies of this joint proxy statement/prospectus or voting materials, contact [] as described above or Spancion Investor Relations at investor.relations@spancion.com or by telephone at (408) 962-2500.

-xii-

Table of Contents

SUMMARY

The following is a summary of the information contained in this joint proxy statement/prospectus relating to the merger. This summary may not contain all of the information about the merger that is important to you. For a more complete description of the merger, Cypress and Spansion encourage you to read carefully this entire joint proxy statement/prospectus, including the attached annexes. In addition, Cypress and Spansion encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Cypress and Spansion. Stockholders of Cypress and Spansion may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Cypress and Spansion have agreed to combine their businesses pursuant to the terms of a merger agreement between the companies as described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. Under the terms of the merger agreement, Mustang Acquisition Corporation, a wholly owned subsidiary of Cypress, will merge with and into Spansion and Spansion will survive and become a wholly owned subsidiary of Cypress. As a result of the transactions contemplated by the merger agreement, former holders of Spansion common stock will own shares of Cypress common stock. Cypress stockholders will continue to own their existing shares of Cypress common stock after the merger.

Treatment of Spansion Securities

Upon completion of the merger, each share of Spansion common stock outstanding immediately prior to the effective time of the merger will be canceled and extinguished and automatically converted into the right to receive 2.457 shares of Cypress common stock, and the cash payable in lieu of any fractional shares as described in the section entitled *The Merger Agreement Treatment of Securities Fractional Shares* beginning on page 89 of this joint proxy statement/prospectus. Upon completion of the merger, unless prohibited by local laws of a particular foreign country, Cypress also will assume outstanding options to purchase Spansion common stock, Spansion restricted stock units and Spansion performance stock units. Cypress intends to seek stockholder approval for an increase in the number of shares issuable under its 2013 equity plan due to, among other things, the substantially increased employee base that will result from the merger.

Information about the Companies

Cypress Semiconductor Corporation (see page 28)

Cypress Semiconductor Corporation, a Delaware corporation and referred to in this joint proxy statement/prospectus as Cypress, delivers high-performance, mixed-signal programmable solutions that provide customers with rapid time-to-market and exceptional system value. Cypress offerings include the flagship PSoC® 1, PSoC 3, PSoC 4, and PSoC 5LP programmable system-on-chip families. Cypress is the world leader in capacitive user interface solutions including CapSense® touch sensing, TrueTouch® touchscreens, and trackpad solutions for notebook PCs and peripherals. Cypress is a world leader in USB controllers, which enhance connectivity and performance in a wide range of consumer and industrial products. Cypress is also the world leader in SRAM and nonvolatile RAM memories. Cypress serves numerous major markets, including consumer, mobile handsets, computation, data communications, automotive, industrial and military. Cypress' principal executive offices are located at 198 Champion Court, San Jose, California 95134. Cypress' telephone number is (408) 943-2600.

Spansion Inc. (see page 28)

Spansion Inc., a Delaware corporation and referred to in this joint proxy statement/prospectus as Spansion, is a global leader in embedded systems solutions. Spansion's flash memory, microcontrollers, analog and mixed-signal products drive the development of faster, intelligent, secure and energy efficient electronics.

-1-

Table of Contents

Spanion is at the heart of electronic systems, connecting, controlling, storing and powering everything from automotive electronics and industrial systems to the highly interactive and immersive consumer devices that are enriching people's daily lives. Spanion is headquartered in Silicon Valley in California, with research and development, manufacturing, assembly and sales operations in the United States, Asia, Europe and the Middle East. Spanion's principal executive offices are located at 915 DeGuigne Drive, Sunnyvale, California 94085. Spanion's telephone number is (408) 962-2500.

Mustang Acquisition Corporation (see page 29)

Mustang Acquisition Corporation, a newly-formed, wholly owned subsidiary of Cypress, is a Delaware corporation formed on November 20, 2014 for the sole purpose of effecting the merger.

Market Price of Cypress and Spanion Common Stock

Cypress common stock trades on the Nasdaq Global Select Market under the symbol CY. Spanion common stock trades on the New York Stock Exchange under the symbol CODE.

The high and low prices per share of Cypress common stock on November 28, 2014, the last full trading day preceding public announcement that Cypress and Spanion had entered into the merger agreement, were \$10.72 and \$10.55. The high and low prices per share of Spanion common stock on November 28, 2014, the last full trading day preceding public announcement that Cypress and Spanion had entered into the merger agreement, were \$23.48 and \$22.69.

The high and low prices per share of Cypress common stock on [], the last full trading day for which high and low sales prices were available as of the date of this joint proxy statement/prospectus were [] and []. The high and low prices per share of Spanion common stock on [], the last full trading day for which high and low sales prices were available as of the date of this joint proxy statement/prospectus, were [] and [].

The Special Meeting of Cypress Stockholders

Date, Time and Place of the Cypress Special Meeting

The Cypress special meeting is scheduled to be held at Cypress' principal executive offices located at 198 Champion Court, San Jose, California 95134, on [], at 10:00 a.m., local time.

Issuance of Shares in Connection with the Merger (see page 33)

Cypress stockholders are considering and voting on a proposal to approve the issuance of shares of Cypress common stock in connection with the merger of Mustang Acquisition Corporation with and into Spanion as contemplated by the merger agreement.

The Cypress board unanimously recommends a vote FOR the proposal to issue shares of Cypress common stock in connection with the merger.

Who Can Vote at the Cypress Special Meeting

Only Cypress stockholders of record at the close of business on [], the record date for the Cypress special meeting, will be entitled to notice of, and to vote at, the Cypress special meeting. On the record date, there were [] shares of

Cypress common stock outstanding, par value \$0.01 per share. Each share of common stock is entitled to one vote on each matter properly brought before the meeting. Shares that are held in Cypress treasury are not considered outstanding or entitled to vote at the Cypress special meeting.

Table of Contents

As of the close of business on the record date, approximately []% of the outstanding shares of Cypress common stock were held by Cypress directors and executive officers and their affiliates. In accordance with the support agreements described below, it is expected that Cypress directors and executive officers will vote their shares in favor of the proposal described above.

Voting Procedures

Cypress stockholders can vote shares by mail by completing, signing and dating each proxy card received and returning it in the prepaid envelope, by telephone or online by following the instructions provided in the proxy card or in person at the special meeting. If you vote by mail, your proxy card must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Cypress special meeting. Online and telephone voting are available 24 hours a day, and votes submitted by telephone or online must be received by 11:59 p.m. Eastern Time on []. If you are the beneficial owner of shares held in street name, you should have received the notice and voting instructions from the bank or broker holding your shares.

The Special Meeting of Spansion Stockholders

Date, Time and Place of Spansion Special Meeting

The Spansion special meeting is scheduled to be held at Spansion's principal executive offices located at 915 DeGuigne Drive, Sunnyvale, California 94085, on [], at 10:00 a.m., local time.

The Merger Agreement and the Merger (see page 39)

Spansion stockholders are considering and voting on a proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

The Spansion board unanimously recommends a vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Advisory Vote to Approve Merger Related Compensation for Spansion Named Executive Officers (see page 39)

Spansion stockholders are considering and voting on a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger. This compensation is summarized in the section entitled *The Merger Reasons for the Merger Golden Parachute Compensation* beginning on page [] of this joint proxy statement/prospectus, including the footnotes to the table.

The Spansion board unanimously recommends a vote FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger.

Possible Adjournment to Solicit Additional Proxies, if Necessary or Appropriate (see page 40)

Spansion stockholders are considering and voting on a proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger proposal.

Table of Contents

The Spansion board unanimously recommends a vote FOR the proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Who Can Vote at the Spansion Special Meeting

Only Spansion stockholders of record at the close of business on [], the record date for the Spansion special meeting, and other persons holding valid proxies for the special meeting will be entitled to attend the Spansion special meeting. On the record date, there were [] shares of Spansion common stock outstanding, par value \$0.001 per share. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

As of the close of business on the record date, approximately []% of the outstanding shares of Spansion common stock were held by Spansion's directors and executive officers and their affiliates. In accordance with the support agreements described below, we expect that Spansion's directors and executive officers will vote their shares in favor of the proposals described above.

Voting Procedures

Record holders of shares of Spansion common stock may submit proxies by completing, signing and dating their proxy cards for the Spansion special meeting and mailing them in the accompanying preaddressed envelopes. Spansion stockholders who hold shares in street name may vote by mail by completing, signing and dating the voting instruction cards for the Spansion special meeting provided by their brokers or nominees and mailing them in the accompanying pre-addressed envelopes. Proxies and voting instruction forms submitted by mail must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Spansion special meeting. Spansion stockholders may also submit proxies over the Internet at the web address shown on the proxy card. Spansion stockholders who live in the United States or Canada may submit proxies by calling the telephone number shown on the proxy card. The Internet and telephone voting facilities will close at 11:59 p.m., Eastern Time, on []. The availability of Internet and telephone voting for shares held in street name will depend on the voting processes of your broker or other nominee.

The Merger

Recommendation of the Cypress Board (see page 51)

After careful consideration, at a meeting of the Cypress board held on December 1, 2014, the Cypress board unanimously determined that the merger agreement and the consummation of the transactions contemplated by the merger agreement are advisable and in the best interests of the Cypress stockholders, and has unanimously approved the merger agreement.

The Cypress board unanimously recommends that Cypress stockholders vote FOR the proposal of the issuance of Cypress common stock in the merger pursuant to the terms of the merger agreement.

Opinion of Cypress Financial Advisor (see page 54)

Cypress retained Qatalyst Partners LP, which we refer to as Qatalyst Partners, to act as its financial advisor in connection with the merger. Cypress selected Qatalyst Partners to act as its financial advisor based on Qatalyst Partners' qualifications, expertise, reputation and knowledge of its business and affairs and the industry in which it operates. At the meeting of the Cypress board on December 1, 2014, Qatalyst Partners rendered its oral opinion, subsequently confirmed in writing, that as of December 1, 2014 and based upon and subject to the considerations,

limitations and other matters set forth therein, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Cypress.

-4-

Table of Contents

The full text of the written opinion of Qatalyst Partners, dated December 1, 2014, is attached to this joint proxy statement/prospectus as Annex B and is incorporated into this joint proxy statement/prospectus by reference. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by Qatalyst Partners in rendering its opinion. You should read the opinion carefully in its entirety. Qatalyst Partners' opinion was provided to the Cypress board and addressed only, as of the date of the opinion, the fairness from a financial point of view, of the exchange ratio pursuant to the merger agreement, to Cypress. It does not address any other aspect of the merger and does not constitute a recommendation as to how any holder of Spansion common stock or Cypress common stock should vote with respect to the merger or any other matter. For a further discussion of Qatalyst Partners' opinion, see *The Merger Reasons for the Merger Opinion of Cypress Financial Advisor* beginning on page 54 of this joint proxy statement/prospectus.

Recommendations of the Spansion Board (see page 63)

After careful consideration, the Spansion board unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of the Spansion stockholders and has unanimously approved the merger agreement. **The Spansion board unanimously recommends that the Spansion stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement, FOR the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger and FOR the proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.**

Opinion of Spansion's Financial Advisor (see page 67 and Annex C)

Spansion retained Morgan Stanley & Co. LLC, which we refer to as Morgan Stanley, to act as its financial advisor in connection with the proposed merger of Spansion and Cypress. On December 1, 2014, Morgan Stanley rendered to Spansion's board its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the various assumptions, procedures, matters, qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of shares of Spansion common stock (other than the holders of shares held in the treasury of Spansion, or by Cypress, Mustang Acquisition Corporation or any direct or indirect wholly owned subsidiary of Cypress, Mustang Acquisition Corporation or Spansion, which shares we refer to as the excluded shares). References to Spansion's common stock in the description of Morgan Stanley's opinion refer to Spansion's Class A common stock. The full text of the written opinion of Morgan Stanley, dated as of December 1, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated by reference in this joint proxy statement/prospectus in its entirety. The summary of the opinion of Morgan Stanley in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. **We encourage you to read Morgan Stanley's opinion, this section and the summary of Morgan Stanley's opinion below carefully and in their entirety.**

Morgan Stanley's opinion was rendered for the benefit of Spansion's board, in its capacity as such, and addressed only the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement to the holders of shares of Spansion common stock (other than the holders of the excluded shares) as of the date of the opinion. Morgan Stanley's opinion did not address any other aspect of the merger or related transactions, including the prices at which shares of Spansion common stock or Cypress common stock would

trade at any time in the future, or any compensation or compensation agreements

-5-

Table of Contents

arising from (or relating to) the merger which benefit any officer, director or employee of Spansion, or any class of such persons. The opinion was addressed to, and rendered for the benefit of, Spansion's board and was not intended to, and does not, constitute advice or a recommendation to any holder of shares of Spansion common stock as to how to vote or act on any matter with respect to the merger or related transactions or any other action with respect to the transactions contemplated by the merger agreement.

Interests of the Directors and Executive Officers of Spansion (see page 78)

In considering the recommendation of the Spansion board to adopt the merger agreement and approve the transactions contemplated by the merger agreement, Spansion stockholders should be aware that some of the Spansion directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Spansion stockholders generally, including, but not limited to, the following:

in connection with the merger, Cypress will assume outstanding options to purchase shares of Spansion common stock and restricted stock units and performance stock units of Spansion held by such directors and executive officers;

Spansion has entered into Change of Control Severance Agreements with certain employees, including its executive officers, entitling them to certain payments in connection with a termination of employment following a change of control of Spansion;

directors and executive officers of Spansion are entitled to vesting acceleration upon a change of control under various equity awards and agreements;

directors and officers will be indemnified by the combined company with respect to acts or omissions by them in their capacities as such prior to the effective time of the merger; and

under the terms of the merger agreement, four Spansion directors will be designated to serve on the board of the combined company after the effective time of the merger and Raymond Bingham will serve as Chairman of the combined company.

These interests and arrangements may create potential conflicts of interest. The Spansion board was aware of these potential conflicts of interest and considered them, among other matters, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement.

Recent Spansion Equity Awards (see page 80)

On November 14, 2014, the Spansion compensation committee approved the issuance of certain performance stock units to certain employees, which included certain executive officers, and on November 25, 2014, the Spansion board approved the issuance of certain restricted stock units to directors William Mitchell and Raymond Bingham. If such restricted stock units are outstanding as of the effective time of the merger, then they will be assumed by Cypress in accordance with the terms of the merger agreement.

The Merger Agreement

No Solicitation (see page 96)

Subject to limited exceptions, the merger agreement contains detailed provisions that prohibit Cypress and Spansion from soliciting, initiating, or knowingly encouraging or facilitating alternative acquisition proposals with any third party including but not limited to the following:

any acquisition or purchase of a 15% or greater interest in the total outstanding equity interests or voting securities of Cypress or Spansion;

-6-

Table of Contents

any acquisition or purchase of 50% or more of any class of equity or other voting securities of one or more subsidiaries of Cypress or Spansion, the business(es) of which, individually or in the aggregate, generate 15% or more of the net revenues, net income or assets of Cypress or Spansion;

any merger, consolidation, business combination or other similar transaction involving Cypress or Spansion or one or more of its subsidiaries the business(es) of which, individually or in the aggregate, generate or constitute 15% or more of the net revenues, net income or assets of Cypress or Spansion; and

subject to certain exceptions, any sale, lease, exchange, transfer, license, acquisition or disposition of assets of Cypress or Spansion that generate or constitute 15% or more of the net revenues, net income or assets of Cypress or Spansion.

The merger agreement does not, however, prohibit either party from considering a bona fide, unsolicited acquisition proposal from a third party if specified conditions are met.

Cypress Governance Matters After the Merger

Immediately following the effective time of the merger:

the Cypress board will have eight members, comprised of T.J. Rodgers, Eric A. Benhamou and two others from the current Cypress board to be mutually agreed, and John H. Kispert, Mr. Bingham and two others from the current Spansion board to be mutually agreed;

the chairman of the Cypress board will be Mr. Bingham;

the chairman of the operations committee of the Cypress board will be Mr. Kispert;

the chairman of the nominating and governance committee of the Cypress board will be a current Spansion director;

the chairman of the audit committee of the Cypress board will be a current Cypress director;

the chairman of the compensation committee of the Cypress board will be a current Spansion director;

the chief executive officer of Cypress will be Mr. Rodgers; and

the chief financial officer of Cypress will be the current Cypress chief financial officer.

Conditions to Completion of the Merger (see page 103)

Several conditions must be satisfied or waived before Cypress and Spansion complete the merger, including, but not limited to, the following:

approval by Cypress stockholders of the issuance of shares of Cypress common stock in the merger;

adoption of the merger agreement by Spansion stockholders;

no law that has the effect of making the merger illegal or prohibiting the effective time of the merger will be in effect;

no order of any court preventing the completion of the merger will be in effect;

Cypress' registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, will have been declared effective by the Securities and Exchange Commission;

receipt of all clearances, consents, approvals, authorizations and orders applicable to the merger which are required under any antitrust laws of the U.S., Germany and Japan and any other non-U.S. jurisdiction in which Cypress or Spansion have material business operations or in which Cypress and Spansion mutually agree;

Table of Contents

receipt of opinions by Cypress and Spansion from their respective tax counsel that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

shares of Cypress common stock issuable in the merger will be authorized for listing on the Nasdaq Global Select Market;

accuracy of certain of each party's respective representations and warranties as set forth in the merger agreement;

material compliance by each party with its agreements and covenants in the merger agreement; and

absence of a material adverse effect on Cypress and Spansion, respectively, from December 1, 2014 to the completion of the merger.

Termination; Fees and Expenses (see page 106)

Under circumstances specified in the merger agreement, either Cypress or Spansion may terminate the merger agreement, including, but not limited to, if:

both parties consent to termination;

the merger is not completed by June 1, which may be extended to September 1, 2015 and subsequently to December 1, 2015 by Cypress or Spansion under certain circumstances;

any governmental authority has issued or granted any order that is in effect and has the effect of making the merger illegal;

the required approval of the stockholders of Cypress of the issuance of shares of Cypress common stock in the merger has not been obtained at Cypress's duly held special meeting;

the required approval of the stockholders of Spansion to adopt the merger agreement has not been obtained at Spansion's duly held special meeting;

the other party or its board takes any of the actions in opposition to the merger described as a triggering event in the merger agreement; or

the other party breaches its representations, warranties or covenants in the merger agreement such that one or more of its conditions to completion of the merger regarding representations, warranties or covenants would not be satisfied.

Support Agreements (see page 110)

Simultaneously with the execution and delivery of the merger agreement, each of the executive officers and directors of Cypress, in their respective capacities as stockholders of Cypress, entered into support agreements with Spansion, pursuant to which such individuals agreed, among other things, to vote their respective shares of common stock of Cypress in favor of the approval of the issuance of shares of Cypress common stock pursuant to the merger agreement and against any acquisition proposal. As of December 1, 2014, the persons signing the Cypress support agreements beneficially owned an aggregate of approximately 10.31% of the outstanding Cypress common stock.

Simultaneously with the execution and delivery of the merger agreement, each of the executive officers and directors of Spansion, in their respective capacities as stockholders of Spansion, entered into support agreements with Cypress, pursuant to which such individuals have agreed, among other things, to vote their respective shares of common stock of Spansion for the approval and adoption of the merger agreement and against any acquisition proposal. As of December 1, 2014, the persons signing the Spansion support agreements beneficially owned an aggregate of approximately 5.41% of the outstanding Spansion common stock.

Table of Contents

Delisting and Deregistration of Spansion Common Stock After the Merger

Following the effective time of the merger, Spansion common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934.

Registration of Shares of Cypress Common Stock Received in the Merger

The shares of Cypress common stock to be issued in connection with the merger will be registered under the Securities Act of 1933 and will be freely transferable. The resale restrictions in Rule 145(d) that could be applicable to persons specified in Rule 145(c) are not applicable to persons receiving stock in the merger.

No Appraisal Rights

Neither Cypress stockholders nor Spansion stockholders are entitled to appraisal rights for their shares under the Delaware General Corporation Law in connection with the merger. For further discussion of appraisal rights, see *The Merger Agreement No Appraisal Rights* beginning on page 113 of this joint proxy statement/prospectus.

Material U.S. Federal Income Tax Consequences

The transaction is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. If the transaction so qualifies, then a U.S. holder of Spansion common stock generally will not recognize any gain or loss, for federal income tax purposes, with respect to the shares of Cypress common stock they receive in the merger. However, Spansion stockholders will recognize gain or loss on any fractional shares of Cypress common stock for which cash is received in lieu of a fractional share.

The tax consequences of the transaction to each Spansion stockholder may depend on such holder's particular facts and circumstances. Spansion stockholders are urged to consult their tax advisors to understand fully the consequences to them of the transaction in their specific circumstances. For further discussion of the material U.S. federal income tax consequences of the transaction, see *The Merger Agreement Material United States Federal Income Tax Consequences* beginning on page 110 of this joint proxy statement/prospectus.

Regulatory Filings and Approvals Required to Complete the Merger

Cypress and Spansion have each agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the merger. The merger is subject to review by the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Under this statute, Cypress and Spansion are required to make pre-merger notification filings and await the expiration or early termination of the statutory waiting period prior to completing the merger. Cypress and Spansion completed the initial Hart-Scott-Rodino filing on December 16, 2014, but the applicable waiting period has not yet expired or been terminated. The merger is also subject to review by foreign governmental authorities and requires pre-merger notification and the observance of an applicable waiting period in certain countries, including Germany and Japan. Cypress and Spansion have determined such approval is not required in China. Cypress and Spansion completed the initial pre-merger notification required in Germany on December 17, 2014, but have not yet filed such other foreign pre-merger notifications, and the applicable waiting periods, including with respect to Germany, have not yet expired. For further discussion of the regulatory filings and approvals required to complete the merger, see *The Merger Agreement Regulatory Filings and Approvals Required to Complete the Merger* beginning on page 112 of this joint proxy statement/prospectus.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF CYPRESS**

The following table sets forth Cypress selected historical consolidated financial and other data for the periods ended and as of the dates indicated. The consolidated statements of operations for the fiscal years ended December 29, 2013, December 30, 2012 and January 1, 2012 and the consolidated balance sheet data as of December 29, 2013 and December 30, 2012 have been derived from Cypress audited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The consolidated statements of operations for the fiscal years ended January 2, 2011 and January 3, 2010 and the consolidated balance sheet data as of January 1, 2012, January 2, 2011 and January 3, 2010 have been derived from Cypress audited consolidated financial statements that are not incorporated by reference into this joint proxy statement/prospectus. The consolidated statement of operations for the nine months ended September 28, 2014 and September 29, 2013 and the consolidated balance sheet data as of September 28, 2014 have been derived from Cypress unaudited condensed consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The consolidated balance sheet data as of September 29, 2013 has been derived from Cypress unaudited condensed consolidated financial statements that are not incorporated by reference into this joint proxy statement/prospectus. The data presented below should be read in conjunction with the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and the related notes contained in Cypress most recent Annual Report on Form 10-K and its Quarterly Report on Form 10-Q for the nine months ended September 28, 2014, incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page [] of this joint proxy statement/prospectus.

| | Year Ended | | | | | Nine Months Ended | |
|--|--|----------------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|
| | December 29, 2013 | December 30, 2012 | January 1, 2012 | January 2, 2011 | January 3, 2010 | September 28, 2014 | September 29, 2013 |
| | (In thousands, except per-share amounts) | | | | | | |
| Consolidated Statement of Operations Data: | | | | | | | |
| Revenues | \$ 722,693 | \$ 769,687 | \$ 995,204 | \$ 877,532 | \$ 667,786 | \$ 541,400 | \$ 554,917 |
| Cost of revenues | 384,121 | 376,887 | 448,602 | 388,359 | 397,204 | 271,425 | 292,793 |
| Operating income (loss) | (58,195) | (18,915) | 153,719 | 87,864 | (149,255) | 15,223 | (47,297) |
| Income (loss) attributable to Cypress | (46,364) | (22,370) | 167,839 | 75,742 | (150,424) | 14,443 | 32,787 |
| Noncontrolling interest, net of income taxes | (1,845) | (1,614) | (882) | (866) | (946) | (991) | (1,509) |
| Net income (loss) | (48,209) | (23,984) | 166,957 | 74,876 | (151,370) | 13,452 | (34,296) |
| Adjust for net loss (income) attributable to noncontrolling interest | 1,845 | 1,614 | 882 | 866 | 946 | 991 | 1,509 |
| Net income (loss) attributable to Cypress | \$ (46,364) | \$ (22,370) | \$ 167,839 | \$ 75,742 | \$ (150,424) | \$ 14,443 | \$ (32,787) |
| Net income (loss) per share basic; attributable | \$ (0.31) | \$ (0.15) | \$ 1.02 | \$ 0.47 | \$ (1.03) | \$ 0.09 | \$ (0.22) |

to Cypress

| | | | | | | | | | | | | | | |
|-----------------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|
| Net income (loss) per share basic | \$ | (0.31) | \$ | (0.15) | \$ | 1.02 | \$ | 0.47 | \$ | (1.03) | \$ | 0.09 | \$ | (0.22) |
|-----------------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|

Net income (loss) per share diluted:

| | | | | | | | | | | | | | | |
|-------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|
| attributable to Cypress | \$ | (0.31) | \$ | (0.15) | \$ | 0.90 | \$ | 0.40 | \$ | (1.03) | \$ | 0.09 | \$ | (0.22) |
|-------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|

| | | | | | | | | | | | | | | |
|-------------------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|
| Net income (loss) per share diluted | \$ | (0.31) | \$ | (0.15) | \$ | 0.90 | \$ | 0.40 | \$ | (1.03) | \$ | 0.09 | \$ | (0.22) |
|-------------------------------------|----|--------|----|--------|----|------|----|------|----|--------|----|------|----|--------|

Dividends per share:

| | | | | | | | | | | | | |
|----------|----|------|----|------|----|------|----|--|----|------|----|------|
| Declared | \$ | 0.44 | \$ | 0.44 | \$ | 0.27 | \$ | | \$ | 0.33 | \$ | 0.33 |
|----------|----|------|----|------|----|------|----|--|----|------|----|------|

| | | | | | | | | | | | | |
|------|----|------|----|------|----|------|----|--|----|------|----|------|
| Paid | \$ | 0.44 | \$ | 0.42 | \$ | 0.18 | \$ | | \$ | 0.33 | \$ | 0.33 |
|------|----|------|----|------|----|------|----|--|----|------|----|------|

Shares used in per-share calculation:

| | | | | | | | |
|-------|---------|---------|---------|---------|---------|---------|---------|
| Basic | 148,558 | 149,266 | 164,495 | 161,114 | 145,611 | 157,594 | 147,551 |
|-------|---------|---------|---------|---------|---------|---------|---------|

| | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|
| Diluted | 148,558 | 149,266 | 186,895 | 191,377 | 145,611 | 166,000 | 147,551 |
|---------|---------|---------|---------|---------|---------|---------|---------|

Table of Contents

| | Year Ended | | | Nine Months Ended | | | |
|---|----------------------|----------------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|
| | December 29, 2013 | December 30, 2012 | January 1, 2012 | January 2, 2011 | January 3, 2010 | September 28, 2014 | September 29, 2013 |
| | (In thousands) | | | | | | |
| Consolidated Balance Sheet Data: | | | | | | | |
| Cash, cash equivalents and short-term investments | \$ 104,462 | \$ 117,210 | \$ 166,330 | \$ 434,261 | \$ 299,642 | \$ 120,377 | \$ 101,389 |
| Working capital | \$ 13,871 | \$ 20,060 | \$ 79,190 | \$ 383,369 | \$ 279,643 | \$ 39,491 | \$ 13,387 |
| Total assets | \$ 765,836 | \$ 831,629 | \$ 810,090 | \$ 1,072,801 | \$ 912,508 | \$ 777,109 | \$ 795,991 |
| Debt (1) | \$ 248,230 | \$ 264,942 | \$ 45,767 | \$ | \$ | \$ 244,133 | \$ 249,578 |
| Stockholders equity | \$ 178,635 | \$ 176,861 | \$ 397,842 | \$ 702,893 | \$ 630,384 | \$ 204,807 | \$ 177,542 |

(1) The debt in fiscal year 2013 primarily included \$227.0 million related to Cypress revolving credit facility, \$12.5 million of capital leases, and \$8.7 million of equipment loans. The debt in fiscal year 2012 included \$232.0 million related to Cypress revolving credit facility, \$15.0 million of capital leases, \$11.5 million of equipment loans, \$3.3 million of a mortgage note related to Ramtron, and \$3.1 million of advances received for the sale of certain of Cypress auction rate securities. The debt in fiscal year 2011 included \$15.2 million of capital leases, \$14.1 million of equipment loans and \$16.4 million of advances received for the sale of certain of Cypress auction rate securities (all balances include both short-term and long-term portions). See Note 14 of the Notes to Consolidated Financial Statements included in Cypress Form 10-K for the period ending December 29, 2013 incorporated by reference in this joint proxy/prospectus for more information on revolving credit facility, equipment loans and mortgage note, see Note 18 for more information on capital leases and see Note 5 for more information on advances received for the sale of auction rate securities.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF SPANSION**

The following table sets forth Spansion's summary selected historical consolidated financial and other data for the periods ended and as of the dates indicated. References to the "Predecessor" refer to Spansion and its consolidated subsidiaries up to May 10, 2010. References to the "Successor" refer to Spansion and its consolidated subsidiaries after giving effect to: (i) cancellation of Spansion common stock issued prior to May 10, 2010; (ii) the issuance of Spansion common stock on or after May 10, 2010 and settlement of existing debt and other adjustments in accordance with the Plan of Reorganization confirmed by the U.S. Bankruptcy Court on April 16, 2010; and (iii) the application of fresh start accounting. The consolidated statements of operations for the Successor's fiscal years ended December 29, 2013, December 30, 2012, and December 25, 2011 and the consolidated balance sheet data for the Successor as of December 29, 2013 and December 30, 2012 have been derived from Spansion's audited consolidated financial statements incorporated by reference into this proxy statement/prospectus. The consolidated statements of operations for the Successor's period from May 11, 2010 to December 26, 2010, Predecessor's period from December 28, 2009 to May 10, 2010 and Predecessor's fiscal year ended December 27, 2009, and the consolidated balance sheet data for the Successor as of December 25, 2011, December 26, 2010 and the Predecessor as of December 27, 2009 have been derived from Spansion's audited consolidated financial statements that are not incorporated by reference into this joint proxy statement/prospectus. The consolidated statement of operations for the nine months ended September 28, 2014 and September 29, 2013 and the consolidated balance sheet data as of September 28, 2014 have been derived from Spansion's unaudited condensed consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The consolidated balance sheet data as of September 29, 2013 has been derived from Spansion's unaudited condensed consolidated financial statements that are not incorporated by reference into this joint proxy statement/prospectus. The data presented below should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes contained in Spansion's most recent Annual Report on Form 10-K and its Quarterly Report on Form 10-Q for the nine months ended September 28, 2014, incorporated by reference into this proxy statement/prospectus. See the sections entitled "Where You Can Find More Information" beginning on page 137 of this joint proxy statement/prospectus.

Table of Contents

| | | | | | | | | |
|--|-------------|-----------|-------------|-------------|------------|--------------|-------------|-------------|
| Income (loss) before reorganization items and income taxes | | | | | | | | |
| Reorganization items | | | | | 370,340 | (391,383) | | |
| Income (loss) before income taxes | (75,858) | 37,383 | (34,511) | (94,591) | 365,264 | (513,462) | (36,612) | (55,461) |
| Benefit / (Provision) for income taxes (6) | (2,410) | (12,999) | (21,037) | (2,101) | (1,640) | (597) | (8,703) | 891 |
| Income (loss) attributable to Spancion | (78,268) | 24,887 | (55,886) | (96,692) | 363,624 | (514,059) | (45,315) | (54,570) |
| Noncontrolling interest, net of income taxes | | (503) | 338 | | | | | |
| Net income (loss) | (78,268) | 24,384 | (55,548) | (96,692) | 363,624 | (514,059) | (45,315) | (54,570) |
| Adjust for net loss (income) attributable to noncontrolling interest | | 503 | (338) | | | | | |
| Net income (loss) attributable to Spancion Inc. | \$ (78,268) | \$ 24,887 | \$ (55,886) | \$ (96,692) | \$ 363,624 | \$ (514,059) | \$ (45,315) | \$ (54,570) |
| Net income (loss) per share basic: | | | | | | | | |
| attributable to Spancion | \$ 1.34 | \$ 0.41 | \$ (0.91) | \$ (1.60) | \$ 2.24 | \$ (3.18) | \$ (0.75) | \$ (0.93) |
| Net income (loss) per share basic | \$ 1.34 | \$ 0.41 | \$ (0.91) | \$ (1.60) | \$ 2.24 | \$ (3.18) | \$ (0.75) | \$ (0.93) |
| Net income (loss) per share diluted: | | | | | | | | |
| attributable to Spancion | \$ 1.34 | \$ 0.41 | \$ (0.91) | \$ (1.60) | \$ 2.24 | \$ (3.18) | \$ (0.75) | \$ (0.93) |
| Net income (loss) per share diluted | \$ 1.34 | \$ 0.41 | \$ (0.91) | \$ (1.60) | \$ 2.24 | \$ (3.18) | \$ (0.75) | \$ (0.93) |
| Shares used in per-share calculation: | | | | | | | | |

| | | | | | | | | |
|---------|--------|--------|--------|--------|---------|---------|--------|--------|
| Basic | 58,599 | 59,984 | 61,338 | 60,479 | 162,439 | 161,847 | 60,705 | 58,506 |
| Diluted | 58,599 | 61,021 | 61,338 | 60,479 | 162,610 | 161,847 | 60,705 | 58,506 |

-13-

Table of Contents

| | Year Ended | | | | | Nine Months Ended | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | December 29, 2013 | December 30, 2012 | December 25, 2011 | December 26, 2010 | December 27, 2009 | September 28, 2014 | September 29, 2013 |
| | (In thousands) | | | | | | |
| Consolidated Balance Sheet Data: | | | | | | | |
| Cash, cash equivalents and short-term investments | \$ 311,497 | \$ 313,897 | \$ 262,705 | \$ 354,273 | \$ 425,238 | \$ 326,769 | \$ 228,392 |
| Working capital | \$ 397,711 | \$ 481,512 | \$ 395,565 | \$ 439,972 | \$ 553,023 | \$ 418,615 | \$ 412,815 |
| Total assets | \$ 1,380,921 | \$ 1,172,166 | \$ 1,191,145 | \$ 1,399,305 | \$ 1,437,977 | \$ 1,384,296 | \$ 1,306,886 |
| Long-term debt and capital lease obligations, including current portion, short term note, and notes payable to banks under revolving loans | \$ 501,932 | \$ 416,295 | \$ 449,399 | \$ 454,909 | \$ 64,150 | \$ 409,569 | \$ 419,169 |
| Liabilities subject to compromise | \$ | \$ | \$ | \$ | \$ 987,127 | \$ | \$ |
| Stockholders deficit | \$ 537,460 | \$ 561,774 | \$ 522,541 | \$ 624,285 | \$ (857,693) | \$ 533,920 | \$ 556,893 |

- (1) References to the Predecessor refer to Spansion and its consolidated subsidiaries up to May 10, 2010. References to Successor refer to Spansion and its consolidated subsidiaries after May 10, 2010 after giving effect to: (i) the cancellation of Spansion common stock issued prior to May 10, 2010; (ii) the issuance of Spansion common stock on or after May 10, 2010 and settlement of existing debt and other adjustments in accordance with the Plan of Reorganization confirmed by the U.S. Bankruptcy Court on April 16, 2010; and (iii) the application of fresh start accounting.
- (2) The gain of \$28.4 million, net of selling expenses was recognized on the sale of our Kuala Lumpur, Malaysia facility in the second quarter of fiscal 2012.
- (3) The 2011 Restructuring Plan was initiated in the fourth quarter of fiscal 2011 to align the business with market conditions. The 2013 Restructuring Plan, beginning in the third quarter of 2013, was implemented to rationalize our global workforce.
- (4) The asset impairment charge for fiscal 2009 includes pre-tax impairment on an equity investment and loan to an investee.
- (5) Contractual interest expense for the year ended December 27, 2009 was approximately \$89.4 million.
- (6)

The provision for income taxes in fiscal 2009 includes a decrease of \$457.9 million in valuation allowances against deferred tax assets in Spansion Japan resulting from the deconsolidation of Spansion Japan in March 2009. However, the decrease in the amount of deferred tax assets had no impact on the provision for income taxes since the deferred tax assets had a full valuation allowance.

Table of Contents**SELECTED UNAUDITED PRO FORMA****CONDENSED COMBINED FINANCIAL INFORMATION OF CYPRESS AND SPANSION**

The following selected unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the merger. The unaudited pro forma condensed combined balance sheet information gives effect to the merger as if it occurred on September 28, 2014. The unaudited pro forma condensed combined income statement information for the nine months ended September 28, 2014 and the year ended December 29, 2013 gives effect to the merger as if it occurred on December 31, 2012. The unaudited pro forma condensed combined income statement for the year ended December 29, 2013 also gives effect to the acquisition by Spansion of the Microcontroller and Analog business, which we refer to as the AM Business, of Fujitsu Semiconductor Limited on August 1, 2013 as if it occurred on December 31, 2012.

This unaudited pro forma condensed combined financial information is for informational purposes only. It does not purport to indicate the results that would actually have been obtained had the merger been completed on the assumed date or for the periods presented, or which may be realized in the future. A final determination of the fair value of Spansion's assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of Spansion that exist as of the date of closing of the merger and, therefore, cannot be made prior to that date. Additionally, the value of the portion of the merger consideration to be paid in shares of Cypress common stock will be determined based on the trading price of Cypress common stock at the time of the closing of the merger.

The selected unaudited pro forma condensed combined financial information (i) has been derived from and should be read in conjunction with the section entitled *The Merger Reasons for the Merger Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor* and the related notes beginning on page 58 of this joint proxy statement/prospectus and (ii) should be read in conjunction with the historical consolidated financial statements of Cypress Semiconductor and Spansion and the AM Business incorporated by reference into this joint proxy statement/prospectus.

| | Nine Months Ended September 28, 2014 | Year Ended December 29, 2013 |
|--|---|---|
| Pro Forma Income Statement Information (in thousands, except per share amounts) | | |
| Revenue | \$ 1,483,746 | \$ 1,983,914 |
| Operating loss | (97,778) | (404,957) |
| Net income (loss) | (124,682) | (428,577) |
| Net income (loss) attributable to common stockholders | (123,691) | (426,732) |
| Net income (loss) attributable to common stockholders per share basic | \$ (0.38) | \$ (1.34) |
| Net income (loss) attributable to common stockholders per share diluted | \$ (0.38) | \$ (1.34) |

**September 28,
2014**

Pro Forma Balance Sheet Information (in thousands)

| | |
|--|--------------|
| Total current assets | \$ 1,247,440 |
| Goodwill | 1,244,226 |
| Total assets | 4,152,417 |
| Long term revolving credit facility and debt including current | 661,167 |
| Total stockholders equity | \$ 2,662,935 |

-15-

Table of Contents

UNAUDITED COMPARATIVE PER SHARE DATA

Presented below are Cypress and Spansion's historical per share data for the nine months ended September 28, 2014 and the year ended December 29, 2013 and unaudited pro forma combined per share data for the nine months ended September 28, 2014 and the year ended December 29, 2013. This information should be read together with the consolidated financial statements and related notes of Cypress and Spansion that are incorporated by reference into this joint proxy statement/prospectus and with the unaudited pro forma condensed combined financial information included in the section entitled *Reasons for the Merger Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor* beginning on Page 57 of this joint proxy statement/prospectus and in the section entitled *The Merger Reasons for the Merger Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor* beginning on page 75 of this joint proxy statement/prospectus. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company.

The historical book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma income per share of the combined company is computed by dividing the pro forma income by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The Spansion unaudited pro forma equivalent per share financial information is computed by multiplying the Cypress unaudited pro forma combined per share amounts by the exchange ratio (2.457 shares of Cypress common stock for each share of Spansion common stock). Book value per share amounts are not calculated for December 29, 2013 on a pro forma basis as purchase accounting adjustments in the unaudited proforma statements have been determined only as of September 28, 2014.

Table of Contents

| | Nine Months Ended September 28, 2014 | Year Ended December 29, 2013 |
|---|---|---|
| Cypress Semiconductor | | |
| Net income (loss) attributable to common stockholders per common share-basic: | | |
| Historical | \$ 0.09 | \$ (0.31) |
| Pro forma | \$ (0.38) | \$ (1.34) |
| Net income (loss) attributable to common stockholders per common share-diluted: | | |
| Historical | \$ 0.09 | \$ (0.31) |
| Pro forma | \$ (0.38) | \$ (1.34) |
| Book value per common share | | |
| Historical | \$ 1.31 | \$ 1.20 |
| Pro forma | \$ 8.10 | n/a |
| Spansion Inc. | | |
| Net income (loss) attributable to common stockholders per common share-basic: | | |
| Historical | \$ (0.75) | \$ (1.34) |
| Equivalent pro forma | \$ (0.93) | \$ (3.29) |
| Net income (loss) attributable to common stockholders per common share-diluted: | | |
| Historical | \$ (0.75) | \$ (1.34) |
| Equivalent pro forma | \$ (0.93) | \$ (3.29) |
| Book value per common share | | |
| Historical | \$ 8.64 | \$ 9.13 |
| Equivalent pro forma | \$ 19.91 | n/a |

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE DATA**

Cypress common stock trades on the Nasdaq Global Select Market under the symbol CY. Spansion common stock trades on the New York Stock Exchange under the symbol CODE.

The following table shows the high and low sales prices per share of Cypress common stock and Spansion common stock on (1) November 28, 2014, the last full trading day preceding public announcement that Cypress and Spansion had entered into the merger agreement, and (2) [], the last full trading day for which high and low sales prices were available as of the date of this joint proxy statement/prospectus.

The table also includes the equivalent high and low sales prices per share of Spansion common stock on those dates. These equivalent high and low sales prices per share reflect the fluctuating value of Cypress common stock that Spansion stockholders would receive in exchange for each share of Spansion common stock if the merger were completed on either of these dates, applying the exchange ratio of 2.457 shares of Cypress common stock for each share of Spansion common stock.

| | Cypress Common Stock | | Spansion Common Stock | | Equivalent Price per Share | |
|-------------------|---------------------------------|------------|----------------------------------|------------|---------------------------------------|------------|
| | High | Low | High | Low | High | Low |
| November 28, 2014 | \$ 10.72 | \$ 10.55 | \$ 23.48 | \$ 22.685 | \$ 26.34 | \$ 25.92 |
| [] | \$ [] | \$ [] | \$ [] | \$ [] | \$ [] | \$ [] |

The above table shows only historical comparisons. These comparisons may not provide meaningful information to (i) Cypress stockholders in determining whether to approve the issuance of shares of Cypress common stock in connection with the merger or (ii) Spansion stockholders in determining whether to adopt the merger agreement and approve the transactions contemplated by the merger agreement. Cypress and Spansion stockholders are urged to obtain current market quotations for Cypress and Spansion common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the issuance of shares of Cypress common stock in the merger in the case of Cypress stockholders, and whether to adopt the merger agreement and approve the transactions contemplated by the merger agreement in the case of Spansion stockholders. See the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Table of Contents

RISK FACTORS

*In addition to the other information included or incorporated by reference in, and found in the annexes attached to, this joint proxy statement/prospectus, including the matters addressed under the section entitled **Cautionary Statement Regarding Forward-Looking Information** beginning on page 26 of this joint proxy statement/prospectus, Cypress stockholders should carefully consider the following risks before deciding whether to vote for approval of the issuance of the shares of Cypress common stock in connection with the merger and Spansion stockholders should carefully consider the following risks before deciding whether to vote for adoption of the merger agreement and approval of the transactions contemplated by the merger agreement. In addition, stockholders of Cypress and Spansion should read and consider the risks associated with each of the businesses of Cypress and Spansion because these risks will relate to the combined company. Certain of these risks can be found in Cypress' annual report on Form 10-K for the fiscal year ended December 29, 2013, and in Cypress' quarterly report on Form 10-Q for the period ended September 28, 2014, each of which is incorporated by reference into this joint proxy statement/prospectus, and in Spansion's annual report on Form 10-K for the fiscal year ended December 29, 2013, and in Spansion's quarterly report on Form 10-Q for the period ended September 28, 2014, each of which is incorporated by reference into this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 137 of this joint proxy statement/prospectus.*

Risk Factors Relating to the Merger

Spansion stockholders will receive a fixed ratio of 2.457 shares of Cypress common stock for each share of Spansion common stock regardless of any changes in market value of Spansion common stock or Cypress common stock before the completion of the merger.

At the effective time of the merger, each share of Spansion common stock will be converted into the right to receive 2.457 shares of Cypress common stock. There will be no adjustment to the exchange ratio (except for adjustments to reflect the effect of any stock split, reverse stock split, stock dividend, reorganization, recapitalization, reclassification or other like change with respect to Cypress common stock or Spansion common stock), and the parties do not have a right to terminate the merger agreement based upon changes in the market price of either Cypress common stock or Spansion common stock. Accordingly, the dollar value of Cypress common stock that Spansion stockholders will receive upon completion of the merger will depend upon the market value of Cypress common stock at the time of completion of the merger, which may be different from, and lower or higher than, the closing price of Cypress common stock on the last full trading day preceding the public announcement on December 1, 2014, that Cypress and Spansion entered into the merger agreement, the last full trading day prior to the date of this joint proxy statement/prospectus or the last full trading day prior to the date of the stockholder meetings. Moreover, completion of the merger may occur some time after the requisite stockholder approvals have been obtained. The market values of Cypress common stock and Spansion common stock have varied since Cypress and Spansion entered into the merger agreement and will continue to vary in the future due to changes in the business, operations or prospects of Cypress and Spansion, market assessments of the merger, regulatory considerations, market and economic considerations, and other factors both within and beyond the control of Cypress and Spansion.

The issuance of shares of Cypress common stock to Spansion stockholders in the merger will substantially reduce the percentage interests of Cypress stockholders.

If the merger is completed, Cypress and Spansion expect that (i) approximately [] shares of Cypress common stock would be issued to Spansion stockholders (including holders of shares subject to a repurchase option or obligation,

risk of forfeiture or other condition under any applicable restricted stock purchase agreement or other agreement with Spanion) and (ii) upon exercise or settlement of assumed equity awards, up to approximately [] shares will be issued to holders of assumed options, restricted stock units and performance stock units.

Table of Contents

Cypress stockholders on the one hand, and former Spansion stockholders, on the other hand, are each expected to own approximately 50% of the fully diluted shares of Cypress common stock following the completion of the merger based on each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes. The issuance of shares of Cypress common stock to Spansion stockholders in the merger and the assumption by Cypress of Spansion options, restricted stock units and performance stock units will cause a significant reduction in the relative percentage interest of current Cypress stockholders in earnings, voting, liquidation value and book and market value.

Failure to successfully integrate the businesses of Cypress and Spansion in the expected time-frame may adversely affect the combined company's future results.

Cypress and Spansion entered into the merger agreement with the expectation that the merger will result in various benefits, including certain cost savings and operational efficiencies or synergies. To realize these anticipated benefits, the businesses of Cypress and Spansion must be successfully integrated. Historically, Cypress and Spansion have been independent companies, and they will continue to be operated as such until the completion of the merger. The integration may be complex and time consuming and may require substantial resources and effort. The management of the combined company may face significant challenges in consolidating the operations of Cypress and Spansion, integrating the two companies' technologies, procedures, and policies, as well as addressing the different corporate cultures of the two companies. If the companies are not successfully integrated, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected.

Customer uncertainties related to the merger could adversely affect the businesses, revenues and gross margins of Cypress, Spansion and the combined company.

In response to the announcement of the merger or due to ongoing uncertainty about the merger, customers of Cypress or Spansion may delay or defer purchasing decisions or elect to switch to other suppliers. In particular, prospective customers could be reluctant to purchase the products and services of Cypress, Spansion or the combined company due to uncertainty about the direction of the combined company's offerings and willingness to support existing products. To the extent that the merger creates uncertainty among those persons and organizations contemplating purchases such that customers delay, defer or change purchases in connection with the planned merger, the revenues of Cypress, Spansion or the combined company would be adversely affected. Customer assurances may be made by Cypress and Spansion to address their customers' uncertainty about the direction of the combined company's product and related support offerings, which may result in additional obligations of Cypress, Spansion or the combined company. As a result of any of these actions, quarterly revenues and net earnings of Cypress, Spansion or the combined company could be substantially below expectations of market analysts and a decline in the companies' respective stock prices could result.

Certain directors and executive officers of Cypress and Spansion have interests in the merger that may be different from, or in addition to, the interests of Cypress stockholders and Spansion stockholders.

Executive officers of Cypress and Spansion negotiated the terms of the merger agreement under the direction of the boards of Cypress and Spansion, respectively. The board of Cypress approved the merger agreement and unanimously recommended that Cypress stockholders vote in favor of the issuance of shares of Cypress common stock in connection with the merger, and the board of Spansion unanimously approved the merger agreement and the transactions contemplated thereby and unanimously recommended that Spansion stockholders vote in favor of the adoption of the merger agreement and the transactions contemplated thereby. These directors and executive officers may have interests in the merger that are different from, or in addition to, or may be deemed to conflict with, yours. These interests include the continued employment of certain executive officers of Cypress and Spansion by

Cypress, the continued positions of certain directors of Cypress and Spansion as directors of the combined company and the indemnification of former Cypress and Spansion directors and officers by the combined company. With respect to Spansion directors and executive

Table of Contents

officers, these interests also include the treatment in the merger of employment agreements, change of control and severance agreements, restricted stock units, stock options and other rights held by these directors and executive officers, including the right to vesting acceleration upon a change of control under various equity awards and agreements. Cypress stockholders should be aware of these interests when they consider the Cypress board's recommendation that Cypress stockholders vote in favor of the proposal to issue shares of Cypress common stock in the merger, and Spansion stockholders should be aware of these interests when they consider the Spansion board's recommendation that they vote in favor of the proposal to adopt the merger agreement and approve the transactions contemplated thereby. For a discussion of the interests of directors and executive officers in the merger, see *The Merger Reason for the Merger Interests of the Directors and Executive Officers of Spansion in the Merger* beginning on page 75 of this joint proxy statement/prospectus.

Provisions of the merger agreement may deter alternative business combinations and could negatively impact the stock prices of Cypress and Spansion if the merger agreement is terminated in certain circumstances.

In connection with the execution and delivery of the merger agreement, each of Spansion and Cypress agreed to immediately cease all existing activities, discussions or negotiations with any persons previously conducted with respect to certain acquisition proposals and acquisition transactions relating to Spansion and Cypress. The merger agreement prohibits Cypress and Spansion from soliciting, initiating, or knowingly encouraging or facilitating certain acquisition proposals with any third party, subject to exceptions set forth in the merger agreement. The merger agreement also provides for the payment by Cypress or Spansion of a termination fee of \$60 million if the merger agreement is terminated in certain circumstances in connection with a competing third party acquisition proposal for one of the companies. See the section entitled *The Merger Agreement Cypress and Spansion Are Required to Terminate any Existing Discussions with Third Parties and are Prohibited from Soliciting Other Offers* and *The Merger Agreement Termination; Fees and Expenses* beginning on page 96 of this joint proxy statement/prospectus. These provisions limit Cypress' and Spansion's ability to pursue offers from third parties that could result in greater value to Cypress stockholders or Spansion stockholders, as the case may be. The obligation to pay the termination fee also may discourage a third party from pursuing an acquisition proposal. If the merger is terminated and Cypress or Spansion determine to seek another business combination, neither Cypress nor Spansion can assure its stockholders that they will be able to negotiate a transaction with another company on terms comparable to the terms of the merger, or that they will avoid incurrence of any fees associated with the termination of the merger agreement.

In the event the merger is terminated by Cypress or Spansion in circumstances that obligate either party to pay the termination fee to the other party, including where either party terminates the merger agreement because the other party's board withdraws its support of the merger, Cypress' and/or Spansion's stock prices may decline.

Cypress, Spansion and, following the merger, the combined company, must continue to retain, recruit, and motivate executives and other key employees, and failure to do so could negatively affect the combined company.

For the merger to be successful, both Cypress and Spansion must continue to retain, recruit, and motivate executives and other key employees during the period before the merger is completed. Further, the combined company must be successful at retaining, recruiting, and motivating key employees following the completion of the merger in order for the benefits of the transaction to be fully realized. Employees of both Cypress and Spansion may experience uncertainty about their future roles with the combined company until, or even after, strategies with regard to the combined company are announced and executed. The potential distractions related to the merger may adversely affect the ability of Cypress, Spansion and, following completion of the merger, the combined company, to keep executives and other key employees focused on business strategies and goals, to address other important personnel matters and to retain them at all. A failure by Cypress, Spansion or, following the completion of the merger, the combined company, to attract, retain, and motivate executives and other key employees during the period prior to or after the completion of

the merger could have a negative impact on their respective businesses.

Table of Contents

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus may not be indicative of what the combined company's actual financial position or results of operations would have been.

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus is presented solely for illustrative purposes and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. This unaudited pro forma condensed combined financial information reflects adjustments that were developed using preliminary estimates based on available information and various assumptions, and may be revised as additional information becomes available. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus.

If the proposed merger is not completed, Cypress and Spansion will have incurred substantial costs that may adversely affect Cypress and Spansion's financial results and operations and the market price of Cypress and Spansion common stock.

If the merger is not completed, the prices of Cypress common stock and Spansion common stock may decline to the extent that the current market prices of Cypress common stock and Spansion common stock reflect a market assumption that the merger will be completed. In addition, Cypress and Spansion have incurred and will incur substantial costs in connection with the proposed merger. These costs are primarily associated with the fees of attorneys, accountants and Cypress and Spansion's financial advisors. In addition, Cypress and Spansion have each diverted significant management resources in an effort to complete the merger and are each subject to restrictions contained in the merger agreement on the conduct of their respective businesses during the pendency of the merger. If the merger is not completed, Cypress and Spansion will have received little or no benefit in respect of such costs incurred. Also, if the merger is not completed under certain circumstances specified in the merger agreement, Cypress or Spansion may be required to pay a termination fee to the other of \$60 million. See the section entitled *The Merger Agreement Termination; Fees and Expenses* beginning on page 105 of this joint proxy statement/prospectus.

Further, if the merger is not completed, Cypress and Spansion may experience negative reactions from the financial markets and Cypress and Spansion's suppliers, customers and employees. Each of these factors may adversely affect the trading price of Cypress and/or Spansion common stock and Cypress and/or Spansion's financial results and operations.

The merger is subject to the receipt of consents and approvals from governmental entities that may impose conditions that could have an adverse effect on Cypress or Spansion or could cause a termination of the merger agreement prior to completion of the merger.

Completion of the merger is conditioned upon the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and also review by foreign governmental authorities and requires pre-merger notification and the observance of an applicable waiting period in certain countries, including Germany and Japan. Certain of these reviews will involve the relevant governmental entity's consideration of the effect of the merger on competition in various jurisdictions. Cypress and Spansion have determined that such approval is not required in China.

The reviewing governmental authorities may not permit the merger at all or may impose restrictions or conditions on the merger that may seriously harm the combined company if the merger is completed. These conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. Any delay in the completion of the merger could diminish the anticipated benefits of the merger or result in additional transaction costs,

loss of revenue or other effects associated with uncertainty about the transaction.

Table of Contents

Cypress and Spansion also may agree to restrictions or conditions imposed by governmental authorities in order to obtain regulatory approval, and these restrictions or conditions could harm the combined company's operations. No additional stockholder approvals are expected to be required for any decision by Cypress or Spansion, after the special meeting of Spansion stockholders and the special meeting of Cypress stockholders, to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods, and even after completion of the merger, governmental authorities could seek to block or challenge the merger as they deem necessary or desirable in the public interest. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws of such jurisdiction challenging or seeking to enjoin the merger, before or after it is completed. Cypress, Spansion or the combined company may not prevail, or may incur significant costs, in defending or settling any action under antitrust laws. See *The Merger Agreement – Conditions to Obligations to Complete the Merger* beginning on page 103 and *The Merger Agreement – Regulatory Filings and Approvals Required to Complete the Merger* beginning on page 112 of this joint proxy statement/prospectus.

Risk Factors Relating to the Combined Company Following the Merger

The market price for shares of the combined company's common stock may be affected by factors different from those affecting the market price for shares of Cypress common stock and Spansion common stock prior to the merger.

Although in operating in the semiconductor industry the combined company will generally be subject to the same risks that each of Cypress and Spansion currently face, those risks may affect the results of operations of the combined company differently than they could affect the results of operations of each of Cypress and Spansion as separate companies. Additionally, the results of operations of the combined company may be affected by additional or different factors than those that currently affect the results of operations of Cypress and Spansion, including, but not limited to, complexities associated with managing the larger, more complex, combined business; integrating personnel from the two companies while maintaining focus on providing products and services; and potential performance shortfalls resulting from the diversion of management's attention caused by integrating the companies' operations.

For a discussion of the businesses of Cypress and Spansion and of various factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Volatility in supply and demand conditions for the combined company's products could materially and negatively impact the business of the combined company.

The semiconductor industry has historically been characterized by wide fluctuations in the demand for, and supply of, semiconductors. Demand for products of the combined company will depend in large part on the continued growth of various electronics industries that use their products, including, but not limited to:

consumer electronics, including mobile handsets, tablets, and notebook PC's;

automotive electronics and industrial controls;

wireless telecommunications equipment;

computers and computer-related peripherals;

memory products; and

networking equipment.

-23-

Table of Contents

Any downturn, shift in product launch schedules or reduction in the growth of these industries could seriously harm the business, financial condition and results of operations of the combined company.

The combined company may not be able to adequately protect or enforce its intellectual property rights, which could harm its competitive position.

The combined company's success and future revenue growth will depend, in part, on its ability to protect its intellectual property. The combined company will primarily rely on patent, copyright, trademark and trade secret laws, as well as nondisclosure agreements and other methods, to protect its proprietary technologies and processes. It is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose proprietary technologies and processes, despite efforts by the combined company to protect its proprietary technologies and processes. While the combined company will hold a significant number of patents, there can be no assurances that any additional patents will be issued. Even if new patents are issued, the claims allowed may not be sufficiently broad to protect the combined company's technology. In addition, any of Cypress or Spansion's existing patents, and any future patents issued to the combined company, may be challenged, invalidated or circumvented. As such, any rights granted under these patents may not provide the combined company with meaningful protection. Cypress and Spansion may not have, and in the future the combined company may not have, foreign patents or pending applications corresponding to its U.S. patents and applications. Even if foreign patents are granted, effective enforcement in foreign countries may not be available. If the combined company's patents do not adequately protect its technology, competitors may be able to offer products similar to the combined company's products. The combined company's competitors may also be able to develop similar technology independently or design around its patents.

Failure to develop, introduce and sell new products or failure to develop and implement new technologies, could adversely impact the financial results of the combined company.

The semiconductor industry is a highly competitive, quickly changing environment marked by rapid obsolescence of existing products. Success of the combined company will depend on its ability to develop and introduce new products and software platforms that customers choose to buy. The new products the market requires tend to be increasingly complex, incorporating more functions and operating at faster speeds than old products. Increasing complexity generally requires smaller features on a chip, making manufacturing new generation products substantially more difficult as compared to prior generations. If the combined company fails to introduce new product designs or technologies in a timely manner or if customers do not successfully introduce new systems or products incorporating products of the combined company, the business, financial condition and results of operations of the combined company could be materially harmed.

Dependency upon third parties to manufacture, distribute and generate a significant portion of product sales could seriously harm financial performance of the combined company.

Cypress and Spansion currently rely on independent contractors to manufacture and assemble many of their products. A shortage in foundry manufacturing capacity could hinder the combined company's ability to meet demand for its products or result in wafer price increases, both of which could adversely affect the combined company's operating results. Additionally, a significant portion Cypress and Spansion's sales are through independent distributors. The combined company may rely on many distributors to assist in creating customer demand, providing technical support, filling customer orders, stocking products and other value-added services to its customers. The combined company may face ongoing business risks due to reliance on such distributors to create and maintain customer relationships where the combined company has a limited or no direct relationship.

The semiconductor industry is prone to intellectual property litigation.

As is typical in the semiconductor industry, each of Cypress and Spansion is frequently involved in disputes regarding patent and other intellectual property rights. Each of Cypress and Spansion has in the past received,

Table of Contents

and the combined company may in the future receive, communications from third parties asserting that certain of its products, processes or technologies infringe upon their patent rights, copyrights, trademark rights or other intellectual property rights, and the combined company may also receive claims of potential infringement if it attempts to license intellectual property to others. Defending these claims may be costly and time consuming, and may divert the attention of management and key personnel from other business issues. Claims of intellectual property infringement also might require the combined company to enter into costly royalty or license agreements. The combined company may be unable to obtain royalty or license agreements on acceptable terms. Resolution of whether any of the products or intellectual property of the combined company has infringed on valid rights held by others could adversely affect the results of operations or financial position and may require material changes in production processes and products.

General economic weakness and geopolitical factors may harm the combined company's operating results and financial condition.

The results of operations of the combined company will be dependent to a large extent upon the global economy. Geopolitical factors such as terrorist activities, armed conflict or global health conditions that adversely affect the global economy may adversely affect the operating results and financial condition of the combined company.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This joint proxy statement prospectus contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including with respect to the anticipated timing, completion and effects of the proposed merger between Cypress and Spansion. These statements are based on management's current expectations and beliefs, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements include statements about future financial and operating results; benefits of the transaction to customers, stockholders and employees; potential synergies; the ability of the combined company to drive growth and expand customer and partner relationships; statements of the plans, strategies and objectives of management for future operations, including the execution of integration and restructuring plans and the anticipated timing of filings and approvals related to the merger or the closing of the merger; statements regarding future economic conditions or performance; and other statements regarding the proposed transaction. Forward-looking statements may contain words such as will be, will, expect, anticipate, continue, project, believe, plan, could, estimate, forecast, may, plan, possible, potential, predict, pursue, should, target or similar expressions, and include the assumptions that underlie such statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements:

Operating Factors:

fluctuations in Cypress and Spansion's operating results, which may be influenced by, among other things, changes in semiconductor industry conditions;

Cypress and Spansion's inability to accurately predict market needs, failure to achieve design wins with customers, or the market's failure to accept Cypress and Spansion's new products and technologies and the products of our respective customers;

Cypress and Spansion's inability to achieve, maintain or improve manufacturing yields and margins or to increase utilization levels of our manufacturing capacities;

customer concentration risks, including the gain or loss of significant customers;

risks associated with Cypress and Spansion's reliance on certain suppliers;

downward pressure on average selling prices of Cypress and Spansion's products;

results in pending and future litigation or other proceedings that would subject us to significant monetary damages or penalties and/or require us to change our business practices, or the costs incurred in connection with those proceedings;

Cypress and Spansion's inability to effectively execute on strategic transactions, or to integrate or achieve anticipated benefits from any acquired businesses;

the ability to retain key employees, customers and suppliers; and

the impact of global economic conditions, fluctuations in exchange rates, labor relations, competitive actions taken by other semiconductor businesses or other competitors, terrorist attacks or natural disasters.

Transaction-Related Factors:

occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy the closing conditions;

possibility that the consummation of the proposed transactions is delayed or does not occur, including the failure of the Cypress stockholders to approve the issuance of shares of Cypress common stock in

Table of Contents

connection with the merger or the failure of the Spansion stockholders to adopt the merger agreement and approve the transactions contemplated by the merger agreement;

uncertainty as to whether Cypress and Spansion will be able to complete the merger on the terms set forth in the merger agreement;

ability to obtain regulatory approvals required to complete the transactions contemplated by the merger agreement, and the timing and conditions for such approvals;

taking of governmental action (including the passage of legislation) to block the transactions contemplated by the merger agreement or otherwise adversely affecting Cypress and Spansion;

outcome of any legal proceedings that have been or may be instituted against Cypress, Spansion or others following announcement of the transactions contemplated by the merger agreement;

challenges, disruptions and costs of closing, integrating, restructuring and achieving anticipated synergies, or that such synergies will take longer to realize than expected; and

uncertainty as to the long-term value of Cypress common stock.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors set forth in this joint proxy statement/prospectus beginning on page 19 of this joint proxy statement/prospectus and the risk factors included in Cypress and Spansion's most recent reports on Form 10-K and Form 10-Q and other documents of Cypress and Spansion on file with the Securities and Exchange Commission and incorporated by reference herein. Any forward-looking statements made in this joint proxy statement/prospectus are qualified in their entirety by the cautionary statements contained or referred to in this section, and there is no assurance that the actual results or developments anticipated by us will be realized or that, even if substantially realized, they will have the expected consequences to, or effects on, us or our businesses or operations. All subsequent written and oral forward-looking statements concerning Cypress, Spansion, the transactions contemplated by the merger agreement or other matters attributable to Cypress or Spansion or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Except to the extent required by applicable law, Cypress and Spansion are under no obligation (and expressly disclaim any such obligation) to update or revise their forward-looking statements whether as a result of new information, future events, or otherwise.

Table of Contents

INFORMATION ABOUT THE COMPANIES

Cypress Semiconductor Corporation

198 Champion Court

San Jose, California 95134

(408) 943-2600

Cypress Semiconductor Corporation, a Delaware corporation and referred to in this joint proxy statement/prospectus as Cypress, delivers high-performance, mixed-signal programmable solutions that provide customers with rapid time-to-market and exceptional system value. Cypress offerings include the flagship PSoC® 1, PSoC 3, PSoC 4, and PSoC 5LP programmable system-on-chip families. Cypress is the world leader in capacitive user interface solutions including CapSense® touch sensing, TrueTouch® touchscreens, and trackpad solutions for notebook PCs and peripherals. Cypress is a world leader in USB controllers, which enhance connectivity and performance in a wide range of consumer and industrial products. Cypress is also the world leader in SRAM and nonvolatile RAM memories. Cypress serves numerous major markets, including consumer, mobile handsets, computation, data communications, automotive, industrial, and military. Cypress was founded in California in 1982.

Cypress was incorporated in California in December 1982. The initial public offering took place in May 1986, at which time Cypress common stock commenced trading on the Nasdaq National Market. On September 26, 1986, Cypress was reincorporated in Delaware. Cypress stock is listed on the Nasdaq Global Select Market under the ticker symbol CY.

Cypress corporate headquarters are located at 198 Champion Court, San Jose, California 95134, and Cypress main telephone number at that location is (408) 943-2600. Cypress home page on the Internet is www.cypress.com. The contents of Cypress website are not incorporated into, or otherwise to be regarded as part of, this joint proxy statement/prospectus.

Spanion Inc.

915 DeGuigne Drive

Sunnyvale, California 94085

(408) 962-2500

Spanion Inc., a Delaware corporation and referred to in this joint proxy statement/prospectus as Spanion, is a global leader in embedded systems solutions. Spanion's flash memory, microcontrollers, analog and mixed-signal products drive the development of faster, intelligent, secure and energy efficient electronics. Spanion is at the heart of electronic systems, connecting, controlling, storing and powering everything from automotive electronics and industrial systems to the highly interactive and immersive consumer devices that are enriching people's daily lives. Spanion is headquartered in Silicon Valley in California, with research and development, manufacturing, assembly and sales operations in the United States, Asia, Europe and the Middle East.

Shares of Spanion common stock are traded on the New York Stock Exchange under the symbol CODE.

Spanion was incorporated in Delaware on November 22, 2005. The principal executive offices of Spanion are located at 915 DeGuigne Drive, Sunnyvale, California 94085, and Spanion's main telephone number at that location is (408) 962-2500. Spanion maintains a website at www.spanion.com. The contents of Spanion's website are not incorporated into, or otherwise to be regarded as part of, this joint proxy statement/prospectus. Additional information about Spanion and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Table of Contents

Mustang Acquisition Corporation

198 Champion Court

San Jose, California 95134

(408) 943-2600

Mustang Acquisition Corporation, a newly formed, wholly owned subsidiary of Cypress, is a Delaware corporation formed on November 20, 2014 for the sole purpose of effecting the merger. In the merger, Mustang Acquisition Corporation will merge with and into Spansion, the separate corporate existence of Mustang Acquisition Corporation will cease and Spansion will survive the merger as a wholly owned subsidiary of Cypress. Mustang Acquisition Corporation has not conducted and will not conduct any business during any period of its existence, other than those that are incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the merger.

Table of Contents

THE CYPRESS SPECIAL MEETING

Date, Time and Place of Cypress Special Meeting

The Cypress special meeting is scheduled to be held at Cypress principal executive offices located at 198 Champion Court, San Jose, California 95134, on [], at 10:00 a.m., local time.

Purpose of Cypress Special Meeting

At the Cypress special meeting, Cypress stockholders will be asked to consider and vote on a proposal to approve the issuance of shares of Cypress common stock in connection with the merger of Mustang Acquisition Corporation with and into Spanion as contemplated by the merger agreement.

The Cypress board has unanimously approved the merger agreement and the transactions contemplated by the merger agreement and unanimously recommends that you vote FOR the proposal to issue shares of Cypress common stock in connection with the merger, which is described in detail in the joint proxy statement/prospectus.

Who Can Vote at the Cypress Special Meeting

Only Cypress stockholders of record at the close of business on [], the record date for the Cypress special meeting, will be entitled to notice of, and to vote at, the Cypress special meeting.

On the record date, there were [] shares of Cypress common stock outstanding, par value \$0.01 per share. Each share of common stock is entitled to one vote on each matter properly brought before the meeting. Shares that are held in Cypress treasury are not considered outstanding or entitled to vote at the Cypress special meeting.

In accordance with Delaware law, a list of stockholders entitled to vote at the meeting will be available at the meeting, and for 10 days prior to the meeting, at [], between the hours of [] a.m. and [] p.m., local time.

Cypress stockholders will be admitted to the Cypress special meeting beginning at [] a.m., local time, on []. If you are a stockholder of record the Inspector of Elections will have your name on a list, and you will be able to gain entry to the special meeting with any form of government-issued photo identification, such as a driver's license, state-issued identification card, or passport. If you hold stock in a brokerage account or in street name and wish to attend the special meeting in person, you will also need to bring a letter from your broker reflecting your stock ownership as of the record date, which is [].

Vote Required for Approval

Quorum

A quorum will be present if at least a majority of the outstanding shares are represented by proxy or by stockholders present and entitled to vote at the special meeting. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your bank or broker) or if you attend the special meeting in person. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the special meeting or holders of a majority of the votes present at the special meeting may adjourn the special meeting to another time or date.

Required Vote

Assuming a quorum of Cypress stockholders are present at the Cypress special meeting, an affirmative vote of the majority of shares present in person or represented by proxy at the Cypress special meeting are required to approve the issuance of shares of Cypress common stock.

-30-

Table of Contents

Effect of Not Voting and Abstentions

The failure to submit a proxy card or vote in person, by telephone, or through the Internet, will have no effect on the proposal to approve the issuance of shares of Cypress common stock in connection with the merger. Any abstentions or broker non-votes will have the effect of a vote against this proposal.

Adjournments

If there is no quorum, the chairman of the Cypress special meeting or holders of a majority of the votes present at the Cypress special meeting may adjourn the special meeting to another time or date.

Share Ownership of Directors and Executive Officers of Cypress

At the close of business on the record date for the Cypress special meeting, directors and executive officers of Cypress beneficially owned and were entitled to vote approximately []% of the shares of Cypress common stock outstanding on that date. Simultaneously with the execution and delivery of the merger agreement, each of the directors and executive officers of Cypress, in their respective capacities as stockholders of Cypress, entered into support agreements with Spansion pursuant to which such individuals agreed, among other things, to vote their respective shares of Cypress common stock for the approval of the issuance of shares pursuant to the merger agreement.

Voting Procedures

You can vote your shares by mail by completing, signing and dating each proxy card received and returning it in the prepaid envelope, by telephone or online by following the instructions provided in the proxy card or in person at the special meeting. If you vote by mail, your proxy card must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Cypress special meeting. Online and telephone voting are available 24 hours a day, and votes submitted by telephone or online must be received by 11:59 p.m. Eastern Time on []. Even if you plan to attend the Cypress special meeting, Cypress recommends that you also submit your proxy card or voting instructions, or vote by telephone or online by the applicable deadline so that your vote will be counted if you later decide not to attend the Cypress special meeting. If you are the beneficial owner of shares held in street name, you should have received the notice and voting instructions from the bank or broker holding your shares. You should follow the instructions in the notice and voting instructions to instruct your bank or broker on how to vote your shares. The availability of telephone and online voting for shares held in street name will depend on the voting process of the bank or broker. Shares held beneficially in street name may be voted in person at the Cypress special meeting only if you obtain a legal proxy from the bank or broker in advance of the Cypress special meeting giving you the right to vote your shares.

The method by which you vote will in no way limit your right to vote at the meeting if you later decide to attend in person. If you are the beneficial owner of your shares, you must obtain a proxy, executed in your favor, from your broker or other holder of record, to be able to vote at the meeting.

You may vote all shares you own as of the close of business on the record date for the Cypress special meeting, which is []. You may cast one vote per share of common stock for the proposal.

Any Cypress stockholder who has a question about the proposals or how to vote or revoke a proxy, or who wishes to obtain additional copies of this joint proxy statement/prospectus, should contact:

[]

[]

[]

Toll Free: []

Banks and Brokerage Firms: []

-31-

Table of Contents

If you need additional copies of this joint proxy statement/prospectus or voting materials, you should contact [] as described above or Cypress Investor Relations at <http://investors.cypress.com/contactus.cfm> or by telephone at (408) 943-2656.

Revoking Proxies or Voting Instructions

If you are a stockholder of record, you have the right to revoke your proxy and change your vote at any time before the Cypress special meeting by (i) returning a later-dated proxy card or (ii) voting again online or by telephone, as more fully described on your notice or proxy card. You may also revoke your proxy and change your vote by voting in person at the Cypress special meeting. Attendance at the Cypress special meeting will not cause your previously granted proxy to be revoked unless you specifically so request or vote again at the Cypress special meeting.

If your shares are held by a bank or broker, you may change your vote by submitting new voting instructions to your bank, broker, trustee or agent, or, if you have obtained a legal proxy from your bank or broker giving you the right to vote your shares, by attending the Cypress special meeting and voting in person.

Shares Held in Street Name

If you own shares of Cypress common stock through a broker, bank or other nominee and attend and vote at the Cypress special meeting, you should bring a letter from your broker, bank or other nominee reflecting your stock ownership as of the record date for the Cypress special meeting.

Tabulation of Votes

Representatives of [], Cypress mailing agent and tabulation service, will count the votes, and [] will act as the Inspector of Elections. The procedures to be used by the Inspector of Elections are consistent with Delaware law concerning the voting of shares, determination of a quorum and the vote required to take stockholder action.

How You Can Reduce the Number of Copies of Cypress Proxy Materials You Receive

The Securities and Exchange Commission has rules that permit Cypress to deliver a single copy of its proxy statement to stockholders sharing the same address. To reduce the expenses of delivering duplicate proxy materials, Cypress is taking advantage of the Securities and Exchange Commission's householding rules that permit Cypress to deliver only one set of proxy materials to stockholders who share an address, unless otherwise requested by the stockholders.

Cost of Proxy Distribution and Solicitation

The cost of soliciting your vote in connection with this joint proxy statement/prospectus has been, or will be, borne by the party incurring those expenses and is expected to cost approximately \$[]. Cypress has retained [] to assist it in the solicitation of proxies for approximately \$[], plus reasonable out-of-pocket expenses. Cypress has also requested that banks, brokers and other custodians, agents and fiduciaries send these proxy materials to the beneficial owners of Cypress common stock they represent and secure their instructions as to the voting of such shares. Cypress may reimburse such banks, brokers and other custodians, agents and fiduciaries representing beneficial owners of Cypress common stock for their expenses in forwarding solicitation materials to such beneficial owners. Certain of Cypress directors, officers or employees may also solicit proxies in person, by telephone, or by electronic communications, but they will not receive any additional compensation for doing so.

Table of Contents

PROPOSAL 1.

THE MERGER AGREEMENT AND THE MERGER

As discussed elsewhere in this joint proxy statement/prospectus, Cypress stockholders are considering and voting to approve the issuance of shares of Cypress common stock in connection with the merger of Mustang Acquisition Corporation with and into Spansion as contemplated by the merger agreement. Cypress stockholders should read carefully this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the merger. In particular, Cypress stockholders are directed to the merger agreement which is attached as Annex A to this joint proxy statement/prospectus.

The Cypress board unanimously recommends a vote FOR the proposal to issue shares of Cypress common stock in connection with the merger.

-33-

Table of Contents

THE SPANSION SPECIAL MEETING

Date, Time and Place of Spansion Special Meeting

The Spansion special meeting is scheduled to be held at 10:00 a.m., local time, on [] at 915 DeGuigne Drive, Sunnyvale, California 94085.

Check-in will begin at [] a.m. and Spansion stockholders should allow ample time for the check-in procedures.

Purpose of Spansion Special Meeting

At the Spansion special meeting, Spansion stockholders will be asked to consider and vote on:

a proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement;

a proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger; and

a proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Spansion currently does not contemplate that any other matters will be presented at the Spansion special meeting.

After careful consideration, the Spansion board unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of the Spansion stockholders and has unanimously approved the merger agreement.

The Spansion board unanimously recommends that the Spansion stockholders vote: FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement. The Spansion board also unanimously recommends that Spansion stockholders vote FOR the proposal to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger and FOR the proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Who Can Vote at the Spansion Special Meeting

Only Spansion stockholders of record at the close of business on [], the record date for the Spansion special meeting, and other persons holding valid proxies for the special meeting will be entitled to attend the Spansion special meeting.

On the record date, there were [] shares of Spansion common stock outstanding, par value \$0.001 per share. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

In accordance with Delaware law, a list of stockholders entitled to vote at the meeting will be available at the meeting, and for 10 days prior to the meeting, at [], between the hours of [] a.m. and [] p.m., local time.

Spansion stockholders and their proxies will be admitted to the Spansion special meeting beginning at [] a.m., local time, on []. Spansion stockholders and their proxies should be prepared to present a form of

Table of Contents

government-issued photo identification, such as a driver's license, state-issued identification card, or passport. In addition, Spansion stockholders who are record holders will have their ownership verified against the list of record holders as of the record date prior to being admitted to the meeting. Spansion stockholders who are not record holders but hold shares through a broker or nominee (i.e., in street name) should provide proof of beneficial ownership on the record date, such as their most recent account statement prior to [], or other similar evidence of ownership. Anyone who does not provide photo identification or comply with the other procedures outlined above upon request will not be admitted to the special meeting.

Vote Required for Approval

Quorum

A quorum will be present if at least a majority of the outstanding shares are represented by proxy or by Spansion stockholders present and entitled to vote at the Spansion special meeting. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your bank or broker) or if you vote in person at the Spansion special meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairman of the board or holders of a majority of the votes present at the Spansion special meeting may adjourn the special meeting to another time or date.

Required Vote

Approval of the merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of Spansion common stock entitled to vote thereon. Approval of the compensation proposal and the adjournment proposal each requires the affirmative vote of a majority of the votes cast by holders of shares of Spansion common stock present in person or represented by proxy at the Spansion special meeting and entitled to vote on the proposal.

Effect of Not Voting and Abstentions

Abstentions and broker non-votes count as present for establishing the quorum described above. A broker non-vote may occur on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares, and such instructions have not been provided by the beneficial owner.

Under the applicable rules of the New York Stock Exchange, brokers and other nominees are prohibited from giving a proxy to vote their customers' shares with respect to the proposals to be voted on at the Spansion special meeting in the absence of instructions from their customers. Failure by a Spansion stockholder to submit a proxy or instruct a broker or nominee to vote will have the effect of a vote against the merger proposal, but it will have no effect on the compensation proposal or the adjournment proposal, assuming a quorum is present. Abstentions will have the effect of a vote against the merger proposal, the compensation proposal and the adjournment proposal.

Adjournments

If there is no quorum, the chairman of the Spansion board or holders of a majority of the votes present at the Spansion special meeting may adjourn the special meeting to another time or date.

Even if a quorum is present, the Spansion special meeting could be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the merger agreement and approval of the transactions contemplated by the merger agreement if sufficient votes are cast in favor of the adjournment proposal. If the adjournment is for more than 30 days or if after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned

meeting must be given to each stockholder of record entitled to vote at the Spansion special meeting.

Table of Contents

Share Ownership of Directors and Executive Officers of Spansion

At the close of business on the record date for the Spansion special meeting, directors and executive officers of Spansion beneficially owned and were entitled to vote approximately []% of the shares of Spansion common stock outstanding on that date. Simultaneously with the execution and delivery of the merger agreement, each of the directors and executive officers of Spansion, in their respective capacities as stockholders of Spansion, entered into support agreements with Cypress pursuant to which such individuals agreed, among other things, to vote their respective shares of Spansion common stock for the approval and adoption of the merger agreement.

Voting Procedures

Method of Voting

Spansion stockholders are being asked to vote both shares held directly in their name as stockholders of record and any shares they hold in street name as beneficial owners. Shares held in street name are shares held in a stock brokerage account or shares held by a bank or other nominee. The method of voting differs for shares held as a record holder and shares held in street name. Record holders will receive proxy cards. Holders of shares in street name will receive voting instruction cards from their brokers or nominees seeking instruction as to how to vote.

Proxy cards and voting instruction cards are being solicited on behalf of the Spansion board from Spansion stockholders in favor of approval of the merger proposal, the compensation proposal and the adjournment proposal.

Submitting Proxies or Voting Instructions

Whether Spansion stockholders hold shares of Spansion common stock directly as stockholders of record or in street name, Spansion stockholders may direct the voting of their shares without attending the Spansion special meeting. Spansion stockholders may vote by granting proxies or, for shares held in street name, by submitting voting instructions to their brokers or nominees.

Record holders of shares of Spansion common stock may submit proxies by completing, signing and dating their proxy cards for the Spansion special meeting and mailing them in the accompanying preaddressed envelopes. Spansion stockholders who hold shares in street name may vote by mail by completing, signing and dating the voting instruction cards for the Spansion special meeting provided by their brokers or nominees and mailing them in the accompanying pre-addressed envelopes. Proxies and voting instruction forms submitted by mail must be received no later than [] at 5:00 p.m. Pacific Time to be voted at the Spansion special meeting. Spansion stockholders may also submit proxies over the Internet at the web address shown on the proxy card. Spansion stockholders who live in the United States or Canada may submit proxies by calling the telephone number shown on the proxy card. The Internet and telephone voting facilities will close at 11:59 p.m., Eastern Time, on []. The availability of Internet and telephone voting for shares held in street name will depend on the voting processes of your broker or other nominee.

If Spansion stockholders of record do not include instructions on how to vote their properly signed proxy cards for the Spansion special meeting, their shares will be voted FOR the merger proposal, the compensation proposal and the adjournment proposal, and in the discretion of the proxy holders on any other business that may properly come before the Spansion special meeting.

If Spansion stockholders holding shares of Spansion common stock in street name do not provide voting instructions, their shares will not be considered to be votes cast on the merger proposal, the compensation proposal or the adjournment proposal.

Stockholders of record of Spansion common stock may also vote in person at the Spansion special meeting by attending the meeting and submitting their proxy cards or by filling out a ballot at the special meeting.

Table of Contents

If shares of Spansion common stock are held by Spansion stockholders in street name, those Spansion stockholders may not vote their shares in person at the Spansion special meeting unless they bring a signed proxy from the record holder giving them the right to vote their shares and fill out a ballot at the special meeting.

Contact for Questions and Assistance in Voting

Any Spansion stockholder who has a question about the proposals or how to vote or revoke a proxy, or who wishes to obtain additional copies of this joint proxy statement/prospectus, should contact:

[]

[]

[]

Toll Free: []

Banks and Brokerage Firms: []

If you need additional copies of this joint proxy statement/prospectus or voting materials, you should contact [] as described above or Spansion Investor Relations at investor.relations@spansion.com or by telephone at (408) 962-2500.

Revoking Proxies or Voting Instructions

Spansion stockholders may change their votes at any time prior to the vote at the Spansion special meeting. Spansion stockholders of record may change their votes by granting new proxies bearing a later date (which automatically revoke any the earlier proxy) or by attending the Spansion special meeting and voting in person. Attendance at the Spansion special meeting will not cause previously granted proxies to be revoked, unless the Spansion stockholder specifically so requests.

For shares held in street name, Spansion stockholders may change their votes by submitting new voting instructions to their brokers or nominees or by attending the Spansion special meeting and voting in person, provided that they have obtained a signed proxy from the record holder giving them the right to vote their shares.

Shares Held in Street Name

Spansion stockholders who own shares of Spansion common stock through a broker, bank or other nominee and attend and vote at the Spansion special meeting, should bring proof of beneficial ownership on the record date, such as their most recent account statement prior to [], or other similar evidence reflecting their stock ownership as of the record date for the Spansion special meeting.

Tabulation of Votes

Representatives of [], Spansion's mailing agent and tabulation service, will count the votes, and [] will act as the Inspector of Elections. The procedures to be used by the Inspector of Elections are consistent with Delaware law concerning the voting of shares, determination of a quorum and the vote required to take stockholder action.

How You Can Reduce the Number of Copies of Spansion's Proxy Materials You Receive

The Securities and Exchange Commission has rules that permit Spansion to deliver a single copy of its proxy statement to stockholders sharing the same address. To reduce the expenses of delivering duplicate proxy materials, Spansion is taking advantage of the Securities and Exchange Commission's householding rules that permit Spansion to deliver only one set of proxy materials to stockholders who share an address, unless otherwise requested by the stockholders.

-37-

Table of Contents

Cost of Proxy Distribution and Solicitation

Spansion is soliciting proxies for the Spansion special meeting from Spansion stockholders and Cypress is soliciting proxies for the Cypress special meeting from its stockholders. Each company will bear its own fees and costs associated with printing and filing this joint proxy statement/prospectus and the registration statement on Form S-4, of which it forms a part. Other than the costs shared with Cypress, the cost of soliciting proxies from Spansion stockholders will be paid by Spansion. Spansion has retained [] to assist it in the solicitation of proxies for approximately \$[], plus reasonable out-of-pocket expenses. Spansion has also requested that banks, brokers and other custodians, agents and fiduciaries send these proxy materials to the beneficial owners of Spansion's common stock they represent and secure their instructions as to the voting of such shares. Spansion may reimburse such banks, brokers and other custodians, agents and fiduciaries representing beneficial owners of Spansion's common stock for their expenses in forwarding solicitation materials to such beneficial owners. Certain of Spansion's directors, officers or employees may also solicit proxies in person, by telephone, or by electronic communications, but they will not receive any additional compensation for doing so.

Table of Contents

PROPOSAL 1.

THE MERGER AGREEMENT AND THE MERGER

As discussed elsewhere in this joint proxy statement/prospectus, Spansion stockholders are considering and voting to adopt the merger agreement and approve the transactions contemplated by the merger agreement. Spansion stockholders should read carefully this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the merger. In particular, Spansion stockholders are directed to the merger agreement which is attached as Annex A to this joint proxy statement/prospectus.

The Spansion board unanimously recommends a vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

PROPOSAL 2.

ADVISORY VOTE TO APPROVE MERGER-RELATED COMPENSATION FOR SPANSION NAMED EXECUTIVE OFFICERS

Under Section 14A of the Securities Exchange Act of 1934 and the applicable Securities and Exchange Commission rules issued thereunder, Spansion is required to submit a proposal to its stockholders for a non-binding, advisory vote to approve certain compensation that may become payable to Spansion named executive officers in connection with the completion of the merger. This proposal, which is referred to as the compensation proposal, gives Spansion stockholders the opportunity to vote, on an advisory (non-binding) basis, on the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger. This compensation is summarized in the table captioned *Golden Parachute Compensation* in the section entitled *The Merger Spansion Executive Compensation Payable in Connection with the Merger* beginning on page 63 of this joint proxy statement/prospectus, including the footnotes to the table and narrative disclosures set forth in the section. The Spansion board encourages you to review carefully the named executive officer merger-related compensation information disclosed in this joint proxy statement/prospectus. The Spansion board unanimously recommends that Spansion stockholders approve, by advisory vote, the compensation that may become payable to Spansion named executive officers in connection with the completion of the merger. The vote on the compensation proposal is a vote separate and apart from the vote on the merger proposal. Accordingly, you may vote to approve the merger proposal and vote not to approve the compensation proposal and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either Spansion or Cypress. Accordingly, if the transaction agreement is adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the compensation proposal. Approval of the compensation proposal requires the affirmative vote of the holders of a majority of the shares of Spansion common stock present or represented by proxy at the special meeting and entitled to vote thereon. If you fail to submit a proxy or fail to instruct your broker or nominee to vote, it will have no effect on the compensation proposal, assuming a quorum is present. If you mark your proxy or voting instructions to abstain, it will have the effect of a vote against the compensation proposal.

The Spansion board unanimously recommends a vote FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Spansion named executive officers that is based on or otherwise relates to the merger agreement and merger.

Table of Contents

PROPOSAL 3.

POSSIBLE ADJOURNMENT TO SOLICIT ADDITIONAL PROXIES,

IF NECESSARY OR APPROPRIATE

The Spansion special meeting may be adjourned to another time and place to permit further solicitation of proxies, if necessary or appropriate, to obtain additional proxies if there are not sufficient votes to approve the merger proposal.

Spansion is asking you to authorize the holder of any proxy solicited by the Spansion board to vote in favor of any adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger proposal.

The Spansion board unanimously recommends a vote FOR the proposal to approve the adjournment of the Spansion special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Table of Contents

THE MERGER

The following is a description of the material aspects of the merger, including the merger agreement. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

Background of the Merger

Spanion and Cypress are both participants in the semiconductor industry and are familiar with each other's business. Each of them routinely evaluates business alternatives and strategic opportunities as part of their ongoing evaluation of developments in the marketplace and participates in discussions with third parties regarding possible commercial arrangements, partnerships and transactions.

The Cypress board and management have a robust process in place for the periodic and ongoing review of strategic opportunities. This process is led by the chief technology officer (CTO) with the direct involvement of the chief executive officer (CEO), executive vice president business leads and the chief financial officer of Cypress (executive management). The process involves the analysis of potential acquisitions of companies or product lines of other companies, collaborations with other companies and other business combinations.

In 2013 Cypress analyzed 12 strategic opportunities. These opportunities began with extensive evaluation by executive management, including the CEO. The majority of these opportunities were analyzed, reviewed and discussed over the course of several months and helped Cypress develop and refine its strategic focus for 2014.

In 2014 Cypress evaluated an additional eight strategic opportunities, including an acquisition of Spanion. Executive management conducted various levels of discussions with 5 specific parties and Spanion. The discussions with each of the parties evolved over a period of months and included meetings with CEOs, executive management, bankers, the exchange of due diligence information necessary to analyze the opportunities, and in-person meetings (including outside the U.S.), and led Cypress to the view that a merger with Spanion was the best strategic opportunity for the shareholders of Cypress.

The Spanion board and management periodically review strategic opportunities for Spanion, including potential acquisitions of companies or their product lines, collaborations with other companies and other business combinations. Such periodic reviews led to Spanion's acquisition of the microcontroller and analog business of Fujitsu in August 2013 and, in early 2014, to the investigation of other potentially complementary acquisitions. In July 2014, Spanion engaged Jefferies LLC, referred to as Jefferies, as financial advisor to assist with the investigation of an opportunity for Spanion to acquire a strategic party, referred to as Party A.

In furtherance of Spanion's strategy to acquire complementary businesses and product lines from third parties, John H. Kispert, the chief executive officer of Spanion, met with the management of a strategic party, referred to as Party B, in January 2014, to discuss the potential acquisition of a portion of Party B's business.

In early 2014, Mr. Kispert also met with the management of a strategic party, referred to as Party C, to follow up on discussions that had taken place over the course of the previous several years regarding the potential acquisition by Spanion of a portion of Party C's business. During the course of such discussions, Party C expressed unsolicited interest in acquiring Spanion, but the pricing terms of a potential acquisition were not discussed at that time. Nonetheless, Spanion's management believed that discussions regarding such potential acquisition by Party C or

regarding a potential acquisition of a business unit of Party C by Spansion could be worthwhile.

On April 2, 2014, Spansion entered into a mutual nondisclosure agreement with Party C for the purpose of evaluating a potential acquisition of Spansion or other strategic transaction.

Table of Contents

Also in April 2014, representatives of a strategic party, referred to as Party D, met with Spansion's senior management to discuss a potential acquisition of a particular business unit of Spansion. In April 2014 and May 2014, Spansion engaged in discussions with Party D to explore signing a mutual nondisclosure agreement regarding such a potential acquisition of a particular business unit of Spansion, or other strategic transaction.

At a meeting of the Spansion board on April 27, 2014, Mr. Kispert updated the board on the inquiries from Party C and Party D. At this meeting, the Spansion board requested that Spansion's management update its three-year operating plan in order to provide a basis against which the board could evaluate any transaction proposal that might be received from Party C or any other party. The board also recommended that Spansion's management engage Morgan Stanley & Co. LLC, referred to as Morgan Stanley, as financial advisor to assist with the process of updating Spansion's three-year operating plan, potentially responding to Party C's interest in an acquisition of Spansion and evaluating any other potential strategic alternatives or proposals.

On May 7, 2014, Party D informed Spansion that it was not comfortable agreeing to a standstill provision in the mutual nondisclosure agreement that Party D and Spansion were negotiating.

On May 16, 2014, Spansion indicated to Party D that it would not be able to provide all of the information that Party D was requesting without a standstill provision, but offered to meet with Party D during the week of May 19, 2014 to provide limited due diligence information.

At a meeting on May 16, 2014, Spansion's board discussed the interest of Party C in an acquisition of Spansion.

On May 23, 2014, Party D informed Spansion that, due to other strategic priorities, it would not pursue a strategic transaction of the type previously discussed with Spansion at that time.

On June 9, 2014, Spansion entered into an amended mutual nondisclosure agreement with Party C to clarify the parties' respective obligations concerning the disclosure of certain confidential information.

On June 12, 2014, representatives of Spansion and representatives of Party C met at the offices of Fenwick & West LLP, referred to as Fenwick, Spansion's outside legal counsel, to discuss a potential acquisition of Spansion or other strategic transaction.

From June 2014 through August 2014, Spansion and Party C continued to have conversations regarding a potential acquisition of Spansion by Party C, and Spansion continued to provide information to Party C.

On July 25, 2014, a strategic party, referred to as Party E, contacted Spansion's management to discuss strategic opportunities between the two companies, including an acquisition of Spansion. Although Spansion's board and management had concerns with respect to Party E's ability to fund an acquisition of Spansion independently or obtain access to sufficient financing resources as would be required to complete such a transaction, on July 28, 2014, Spansion entered into a mutual nondisclosure agreement with Party E for the purpose of further exploring strategic options with Party E.

On August 15, 2014, Morgan Stanley discussed several topics with Spansion's board, including a preliminary view of Spansion's valuation based on management's three-year operating plan and a range of strategic alternatives for Spansion, including strategic acquisitions, the sale of a business unit, a sale of the entire company and continuing to operate the company on a standalone basis. At the August 15, 2014 meeting, the Spansion board also discussed the potential acquisition by Spansion of Party A.

During the week of August 18, 2014, Mr. Kispert attended a meeting with representatives of Cypress, during which the Cypress representatives indicated that Cypress was potentially interested in a strategic transaction with Spansion in which Cypress and Spansion would combine, with T.J. Rodgers, the chief executive officer of Cypress, being the chief executive officer of the combined company.

Table of Contents

Over the course of August 2014 and September 2014, Spansion provided due diligence information to Party E.

In September 2014, Party B contacted Spansion's management and expressed interest in acquiring Spansion. The Spansion board and management considered the potential financial synergies of a business combination transaction and Party B's ability to finance an acquisition.

On September 8, 2014, a representative of Spansion indicated to a representative of Party E that Spansion could not provide certain information that Spansion considered to be commercially sensitive unless Party E made a proposal to acquire Spansion. Later in the week of September 8, 2014, Party E terminated discussions with Spansion.

On September 9, 2014, Spansion entered into a mutual nondisclosure agreement with Party B for the purpose of allowing Party B to evaluate a potential acquisition of Spansion.

On September 12, 2014, representatives of Spansion met with a representative of Cypress to discuss Cypress' potential interest in a strategic transaction.

On September 15, 2014, Cypress discussed with Qatalyst Partners LP, referred to as Qatalyst Partners, whether Qatalyst Partners would act as its financial advisor with respect to a potential business combination with Spansion.

During the week of September 15, 2014, representatives of Morgan Stanley and Jefferies engaged in conversations with representatives of Qatalyst Partners, in which Qatalyst Partners indicated that Cypress was considering making a proposal for an all stock merger of equals. Representatives of Qatalyst Partners advised that Cypress was not yet prepared to offer further details as to the valuation of a potential transaction.

On September 18, 2014, Party B submitted a preliminary, non-binding proposal to acquire Spansion for \$27.30 per share in an all-cash transaction.

In light of these events, the Spansion board convened later on September 18, 2014. Representatives of Fenwick attended the meeting. Mr. Kispert briefed the board on the recent proposal that Spansion had received from Party B and the inquiries that Spansion had received from Cypress with respect to a strategic transaction, as well as the status of the potential acquisition by Spansion of Party A. Representatives from Fenwick presented to the board regarding its fiduciary duties in evaluating acquisition proposals and strategic combinations. The Spansion board then resolved to create a special M&A committee of the board to appropriately and efficiently supervise and advise management in the process of exploring and evaluating a potential change of control of Spansion or strategic combination with a third party. The board appointed three of its directors, Raymond Bingham, Michael Wishart and William Mitchell, to serve as the members of the M&A committee. Members of the board also recommended that Spansion engage Morgan Stanley as well as Jefferies to serve as financial advisors to Spansion in connection with evaluating potential acquisitions of Spansion and other strategic alternatives.

On September 18, 2014, following the meeting of the Spansion board, the M&A committee convened. Representatives of Morgan Stanley and Fenwick attended the meeting. The M&A committee engaged in a lengthy discussion regarding the various unsolicited inquiries received by Spansion's management, including the preliminary, all-cash, non-binding acquisition proposal received from Party B and the preliminary verbal indication of interest by Cypress. Representatives of Morgan Stanley discussed a range of strategic alternatives available to the Company, various preliminary valuation scenarios and preliminary examples of potential synergies that might be realized as a consequence of a strategic transaction. The M&A committee, management and representatives of Morgan Stanley and Fenwick discussed the parameters of an appropriate market check process. As part of a market check process the M&A committee directed management to follow up with Party C, Cypress and Party E and to engage with Party B to

seek a higher valuation and test the level of Party B's board

-43-

Table of Contents

support for its proposal. The M&A committee also engaged in an extensive discussion of several other parties that might be approached in a market check process, including the M&A committee's and Morgan Stanley's perception of each such party's ability to effect a strategic transaction using either cash, stock or a combination thereof. Morgan Stanley commented on each such party and a discussion ensued. Among several factors that the committee considered with respect to each party were the strength of each such party's balance sheet and its financing capacity. Synergies (and potential negative synergies) with such parties were also discussed. Following the discussion, the M&A committee instructed management to initiate contact with several specific parties about their possible interest in a potential strategic transaction.

Shortly following the September 18, 2014 Spansion M&A committee meeting, Spansion management contacted Party C and three new strategic parties, referred to as Party F, Party G and Party H, to gauge each such party's interest in an acquisition of Spansion. Party F and Party G each stated that it was not interested in pursuing an acquisition of Spansion.

On September 25, 2014, Spansion and Cypress executed a mutual nondisclosure agreement in order to facilitate their consideration of a potential business combination.

On September 26, 2014, representatives of Spansion attended a meeting with members of Party H's management to have a preliminary discussion about Spansion's business and the possibility of an acquisition of Spansion by Party H, or other strategic transaction. At the conclusion of the meeting, Party H's management requested an additional meeting during the week of either September 29, 2014 or October 6, 2014.

On September 26, 2014, Party C indicated that it was not prepared at that time to make a proposal to acquire Spansion.

On September 27, 2014, Mr. Kispert and other representatives of Spansion participated in a day-long senior management presentation to the management of Party B.

The M&A committee of the Spansion board reconvened on September 29, 2014 to consider the status of discussions with various parties. Spansion management and representatives of Morgan Stanley, Jefferies and Fenwick attended the meeting. The M&A committee considered and discussed the responses received from Cypress, Party C, Party E, Party F, Party G and Party H since its September 18, 2014 meeting, as well as the management presentations to Party H on September 26, 2014 and to Party B on September 27, 2014. Representatives of Morgan Stanley and Jefferies reported to the M&A committee that Party C, Party D, Party E, Party F and Party G were not interested in submitting a proposal to acquire Spansion.

Morgan Stanley and Jefferies then outlined a potential timeline for a strategic transaction and recommended that all interested parties be asked to submit indications of interest by October 6, 2014, which the M&A committee approved. Morgan Stanley then discussed with the M&A committee various preliminary valuation scenarios, taking into consideration possible synergies. Following Morgan Stanley's and Jefferies' presentation, the M&A committee discussed the status of the potential acquisition by Spansion of Party A. The M&A committee then authorized management to formally engage Morgan Stanley and Jefferies to serve as financial advisors to Spansion in connection with a possible acquisition or strategic transaction.

On October 1, 2014, Spansion entered into formal engagement agreements with each of Morgan Stanley and Jefferies as financial advisors in connection with a possible acquisition of Spansion or another strategic transaction.

On October 3, 2014, members of Spansion's management met with representatives of Cypress to discuss Spansion's business and a potential business combination transaction. The parties also discussed Cypress and its vision for the combined company.

On October 6, 2014, Party B verbally reaffirmed its proposal of \$27.30 per share in cash and requested three to five weeks to continue business and financial due diligence and to prepare a definitive acquisition agreement.

Table of Contents

Also on October 6, 2014, Spansion entered into a mutual nondisclosure agreement with Party H.

Also on October 6, 2014, representatives of Qatalyst Partners contacted Spansion's financial advisors by telephone and indicated that Cypress would need seven to ten additional days to refine its analysis of the potential synergies of a stock transaction.

On October 7, 2014, Mr. Rodgers called Mr. Kispert and stated that Cypress would provide a proposal for a business combination with Spansion no later than October 17, 2014, possibly as soon as October 15, 2014.

Later on October 7, 2014, Mr. Kispert and other representatives of Spansion provided a 90-minute presentation to Party H. Following this presentation, Party H indicated that it would not make a proposal to acquire Spansion at that time.

Later on October 7, 2014, the M&A committee of the Spansion board convened to discuss the status of discussions with Cypress, Party B and Party H. Spansion management and representatives of Morgan Stanley, Jefferies and Fenwick attended the meeting. The committee was informed of Party H's decision not to make a proposal to acquire Spansion.

At its October 7, 2014 meeting, the M&A committee of the Spansion board also discussed the potential acquisition by Spansion of Party A. The committee considered the potential near-term reaction of the stock market to Spansion's announcement of such an acquisition, the potential interest of Cypress and Party B in Party A's product portfolio, the increased size of Spansion if it consummated an acquisition of Party A, the requirement for Cypress and Party B to perform due diligence regarding Party A if such an acquisition were consummated and Cypress or Party B continued to be interested in acquiring Spansion and the potential benefits of the acquisition of Party A to Spansion's standalone strategy if a business combination involving Spansion was not consummated.

On October 9, 2014, October 10, 2014 and October 12, 2014, representatives of Cypress and Spansion participated in due diligence calls to discuss finance matters and Spansion's flash, microcontroller and analog product lines.

On October 13, 2014, members of Spansion's management attended a follow-up due diligence session with members of management of Party B.

On October 14, 2014, Spansion provided access to a virtual data room to Party B and began responding to Party B's due diligence requests.

On October 14, 2014, the Cypress board held a special meeting. Members of the Cypress management team, representatives of Qatalyst Partners and representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, referred to as Wilson Sonsini, outside counsel to Cypress, attended the meeting. Mr. Rodgers and representatives of Qatalyst Partners updated the Cypress board with respect to the ongoing discussions with Spansion, Spansion's response to Cypress's preliminary proposal and the results of the meetings between Cypress and Spansion on October 3, 2014. Cypress's management reported to the board on its diligence findings from its October 9, 2014, October 10, 2014 and October 12, 2014 diligence calls regarding Spansion's flash, microcontroller and analog product lines. After discussion, the Cypress board authorized Mr. Rodgers to deliver to Spansion a written non-binding proposal for an all-stock business combination of Cypress and Spansion.

On October 15, 2014, Cypress delivered to Spansion a non-binding proposal for an all-stock business combination of Cypress and Spansion. The Cypress proposal provided for an exchange ratio reflecting a 12% premium to the ratio of the two companies' stock trading prices to be determined based on the 15-day average of their trading prices up to five

days prior to signing a definitive agreement. The proposal indicated that the exchange ratio would be subject to a lower limit of 1.718 and an upper limit of 2.4.

-45-

Table of Contents

On October 16, 2014, Spansion's financial advisors had a conversation with Party B's financial advisor, during which Party B's financial advisor indicated that Party B was not prepared to increase its offer of \$27.30 per share. Party B's financial advisor noted that Spansion's stock price had declined to \$16.27 per share (down from \$23.58 per share on the date of Party B's October 6, 2014 non-binding proposal). Party B's financial advisor also expressed some concern about the increasing cost of obtaining debt financing for the acquisition and indicated that, for these reasons, it would wait to re-engage with Spansion until after Spansion completed its earnings announcement for the third quarter of fiscal 2014.

Also on October 16, 2014, representatives of a new strategic party located outside of the United States, referred to as Party J, contacted Mr. Kispert to express interest in acquiring Spansion. Mr. Kispert had contacted representatives of Party J over the course of the prior year regarding a potential acquisition by Spansion of Party J, which had not been consummated. Mr. Kispert invited the Party J representatives to contact Morgan Stanley and Jefferies to discuss Party J's interest in acquiring Spansion.

On October 17, 2014, Spansion's financial advisors had a conversation with Party B's financial advisor, during which Party B's financial advisor indicated that Party B was no longer interested in acquiring Spansion.

On October 18, 2014, the full Spansion board met, together with management, to consider the status of discussions with various parties, including the proposal received from Cypress. Representatives of Morgan Stanley, Jefferies and Fenwick attended the meeting. At the meeting, representatives of Morgan Stanley and Jefferies noted for the board that Party J had expressed interest in an acquisition of Spansion. Morgan Stanley and Jefferies discussed various considerations relating to continued engagement with Cypress and Party J. At this meeting, the Spansion board also discussed the relative benefits of Spansion remaining as a standalone company, and Mr. Kispert provided an update regarding the potential acquisition by Spansion of Party A, including as to Spansion's due diligence investigation of Party A.

On October 20, 2014, representatives of Spansion's financial advisors contacted a new strategic party, referred to as Party I, to gauge Party I's interest in an acquisition of Spansion. Party I indicated that it was not interested in such a transaction.

On October 22, 2014, Party J, along with a financial partner, referred to as Party K, submitted a non-binding proposal to acquire Spansion for \$25.88 per share in an all-cash transaction. Party J and Party K indicated that an acquisition of Spansion would be financed through a combination of debt and equity capital. Later on October 22, 2014, representatives of Spansion delivered a draft nondisclosure agreement to the representatives of Party J and Party K.

Throughout the weeks of October 13, 2014 and October 20, 2014, Spansion and Cypress management continued to evaluate the details of Cypress' October 15, 2014 proposal. Among other things, Spansion management indicated to representatives of Cypress its views that an appropriate exchange ratio would be higher than the range that Cypress had proposed and that governance matters such as board composition and officer designations would need to be discussed.

On October 22, 2014, Cypress held a due diligence session to present its business to Spansion's management.

On October 31, 2014, Mr. Rodgers sent a letter to Mr. Kispert reiterating Cypress' interest in consummating a strategic transaction with Spansion according to the terms presented in Cypress' October 15, 2014 proposal. In his letter, Mr. Rodgers noted that, based on the current stock prices of Spansion and Cypress, Cypress' proposal represented an exchange ratio of 2.326 and implied a valuation of \$23.05 per share of Spansion common stock. Spansion determined that such a proposal implied that its stockholders would own approximately 49% of the combined company based on

each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of Spansion's exchangeable 2.00% senior notes. Mr. Rodgers also requested that Spansion enter into an exclusivity agreement with Cypress in order to continue negotiating the proposed transaction.

-46-

Table of Contents

On November 3, 2014, the Spansion board held a meeting to consider the status of discussions with various parties. Representatives of Morgan Stanley, Jefferies and Fenwick attended the meeting. At the meeting, representatives of Morgan Stanley and Jefferies discussed the proposal received on October 22, 2014 from Party J and Party K, and discussed the ability of Party J and Party K to raise the financing they would need to obtain in order to consummate an acquisition of Spansion. Morgan Stanley and Jefferies advised the board that the process of obtaining such financing could substantially delay the consummation of an acquisition by Party J and Party K. The Spansion board and its advisors also discussed concerns regarding the ability of Party J to obtain U.S. regulatory approvals required for the transaction, including under export control laws as well as laws regulating foreign investment in the U.S., and noted that Party J and Party K had not provided comments to the draft nondisclosure agreement delivered to them on October 22, 2014. Spansion's financial advisors also gave a presentation regarding, and the board members discussed, the strategic rationale for the Cypress transaction, including the potential financial synergies that such a transaction could generate, and presented a detailed analytical framework for evaluating the Cypress proposal. Mr. Kispert also advised the board that Spansion had not been able to agree on a purchase price with respect to the acquisition by Spansion of Party A, and that Spansion was not likely to proceed with the acquisition of Party A in the near term.

Following the Spansion board meeting on November 3, 2014, a member of Spansion's board spoke with a member of Cypress's board by telephone regarding the details of Cypress's proposal. The member of Spansion's board reiterated Spansion's belief that the exchange ratio offered in the Cypress proposal dated October 15, 2014 was too low and that Spansion stockholders should have a greater ownership percentage of the combined company than implied by Cypress proposal.

On November 3, 2014, representatives of Qatalyst Partners contacted Spansion's financial advisors and discussed certain key deal terms. Representatives of Qatalyst Partners noted that, given the proposed all-stock merger of equals structure, it would be appropriate and consistent with other mergers of equals for the merger agreement to contain a provision that would require each party to hold a meeting of their respective stockholders to vote on the proposed merger, even if a party received an alternative proposal that the party's board determined to be a superior proposal, to permit the stockholders to decide whether to consummate the merger. Spansion's financial advisors advised Qatalyst Partners that Spansion was not prepared to agree to such a voting provision at that time.

During the course of the week of November 3, 2014, representatives of Party J and representatives of Spansion attempted to negotiate a mutual nondisclosure agreement. During that week, Spansion and its representatives also attempted to validate the sources of Party J's financing.

On November 4, 2014, the Cypress board held a special meeting. Members of the Cypress management team, representatives of Qatalyst Partners and representatives of Wilson Sonsini attended the meeting. The Cypress board discussed the prior day's conversation with Spansion's board member and representatives of Qatalyst Partners reported to the Cypress board the discussion that they had with Spansion's financial advisors, also on November 3, 2014. The Cypress board considered Spansion's request that its stockholders hold a larger percentage of the combined company. The Cypress board discussed a range of exchange ratios and representatives from Qatalyst Partners discussed with the board the ownership percentages that such exchange ratios would imply. Representatives of Wilson Sonsini reviewed for the Cypress board its fiduciary duties in an all-stock business combination transaction of the type proposed with Spansion. After a lengthy discussion of the foregoing matters and Spansion's reaction to Cypress's previous offer, relative valuation, current diligence findings and whether it would be appropriate to increase the exchange ratio, the Cypress board authorized Mr. Rodgers to deliver to Spansion a revised proposal reflecting a fixed exchange ratio of 2.457.

On November 4, 2014, Cypress delivered to Spansion a revised, non-binding proposal for an all-stock business combination of Cypress and Spansion, with a fixed exchange ratio of 2.457, which implied that Spansion stockholders

would own approximately 50% of the combined company based on each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of

Table of Contents

Spanion's exchangeable 2.00% senior notes. The revised proposal indicated that Mr. Rodgers would be the chief executive officer of the combined company, Eric A. Benhamou, the chairman of Cypress's board, would be the chairman of the board of the combined company and the board of directors of the combined company would be comprised of eight members, four of whom would be current Spanion directors and four of whom would be current Cypress directors. Cypress also indicated that the proposal constituted its best and final offer.

On November 6, 2014, a member of Cypress's board and a member of Spanion's board discussed the revised Cypress proposal by telephone.

Later on November 6, 2014, the M&A committee of the Spanion board convened for the purpose of evaluating Cypress's revised proposal and its request to enter into an exclusivity agreement. Representatives of Morgan Stanley and Jefferies attended the meeting and updated the committee as to the terms of the revised proposal. Representatives of Morgan Stanley discussed financial aspects of the proposed merger. After a lengthy discussion, the M&A committee authorized management to enter into an exclusivity agreement with Cypress and, subsequent to the M&A committee meeting, Spanion and Cypress entered into an exclusivity agreement providing for a 21 day exclusivity period. Spanion and its representatives then ceased discussions with Party J concerning a mutual nondisclosure agreement.

On November 7, 2014, representatives of the Spanion board met with Mr. Rodgers to discuss Cypress's business, its succession plans regarding top management and its vision of the proposed combined company.

On November 17, 2014, Cypress formally engaged Qatalyst Partners as its financial advisor and Wilson Sonsini provided an initial draft of the merger agreement to Fenwick.

Spanion and its representatives reviewed the proposed merger agreement and the parties continued their respective ongoing due diligence investigations. On November 20, 2014 and November 21, 2014, Spanion and its representatives discussed key issues in connection with the merger, including (1) the stockholder voting provisions and board termination rights, and (2) governance provisions that related to the ongoing roles of Spanion's management and directors in the combined company and their ability to help ensure that the combined company would achieve the anticipated benefits of the merger.

On November 21, 2014, the Cypress board held a regularly scheduled meeting. Members of the Cypress management team, representatives of Qatalyst Partners and representatives of Wilson Sonsini attended the meeting. Representatives of Wilson Sonsini reviewed in detail for the Cypress board the terms of the merger agreement that was delivered to Fenwick on November 17, 2014. The Cypress board asked questions about the merger agreement and discussion ensued.

On November 21, 2014, representatives of Morgan Stanley spoke to representatives of Qatalyst Partners regarding certain key issues in the merger agreement. Following such discussion, Fenwick delivered a revised draft of the merger agreement to Wilson Sonsini.

On November 22, 2014, the M&A committee of the Spanion board convened to discuss the key issues in the merger agreement. Spanion management and representatives of Morgan Stanley and Fenwick attended the meeting. Representatives of Morgan Stanley provided an update of its conversation with representatives of Qatalyst Partners to the M&A committee. Following a discussion, the M&A committee instructed management and Fenwick, with the aid of Morgan Stanley and Jefferies, to continue negotiating the merger agreement with Cypress and Wilson Sonsini.

On November 25, 2014, Wilson Sonsini delivered a revised draft of the merger agreement to Fenwick.

Later on November 25, 2014, the Spansion board convened to review Spansion's third quarter results and to discuss the status of ongoing negotiations with Cypress, the results of Spansion's due diligence investigation into

Table of Contents

Cypress and the prospects for arriving at mutually agreeable terms for a definitive agreement. Representatives of Morgan Stanley, Jefferies and Fenwick attended the meeting. Morgan Stanley, Jefferies and Fenwick presented to the Spansion board regarding the material financial and other terms of the proposed definitive agreement, and an outline of the remaining key issues. Morgan Stanley and Jefferies also reviewed for the Spansion board the strategic rationale for a combination with Cypress, including the potential financial synergies implied by such a combination being developed by management, and engaged the board in a discussion of Spansion's and Cypress' historical trading prices and financial projections developed by the management teams of the two companies.

Morgan Stanley also discussed other financial aspects of the proposed Cypress transaction and the board discussed the valuation of Spansion implied by the proposed Cypress transaction. Following this presentation, Fenwick advised the Spansion board concerning the regulatory requirements of the proposed combination, including the need to obtain regulatory approvals in the United States, Germany and other foreign jurisdictions. Fenwick then reviewed for the board its fiduciary duties in an all-stock merger of equals transaction and explained to the board that they would be asked to sign support agreements in their capacities as stockholders of Spansion. Following this discussion, the Spansion board instructed management and the representatives of Fenwick, with the aid of Morgan Stanley and Jefferies, to continue negotiating the merger agreement.

Later on November 25, 2014, representatives of Morgan Stanley and Jefferies participated in a telephonic discussion with representatives of Qatalyst Partners of certain key issues in the merger agreement.

On November 25, 2014 and November 26, 2014, Mr. Kispert received unsolicited emails from the management of Party J, in which Party J requested to meet with Mr. Kispert in December, to which Mr. Kispert did not respond because of the exclusivity agreement with Cypress.

On November 26, 2014, Fenwick reviewed the revised draft merger agreement with Spansion and its financial advisors and discussed the key issues. On the same day, the parties' financial and outside legal advisors participated in telephonic discussions regarding key issues in the merger agreement and, following such discussions, Fenwick delivered a revised draft of the merger agreement to Wilson Sonsini.

On November 28, 2014, the Cypress board held a special meeting. Members of the Cypress management team, representatives of Qatalyst Partners and representatives of Wilson Sonsini attended the meeting. Representatives of Qatalyst Partners and Wilson Sonsini reviewed the key open issues in the merger agreement. Representatives of Qatalyst Partners reported to the Cypress board their discussion with Spansion's financial advisors on November 25, 2014. Representatives of Wilson Sonsini reviewed with the Cypress board the revised draft of the merger agreement that Fenwick delivered on November 26, 2014. Representatives of Wilson Sonsini also again reviewed with the Cypress board its fiduciary duties in an all-stock business combination transaction of the type proposed with Spansion and discussed with the Cypress directors the support agreements that they would be asked to sign in connection with the transaction in their capacities as stockholders of Cypress. After lengthy discussion the Cypress board instructed Cypress management to continue to negotiate the merger agreement and resolve the remaining outstanding issues.

The parties continued to negotiate the merger agreement and finalize their due diligence investigations and related disclosure letters over the course of November 28, 2014, November 29, 2014 and November 30, 2014. On November 29, 2014, representatives of Fenwick and Wilson Sonsini held a telephonic discussion to resolve the remaining outstanding issues in the merger agreement. Following such discussion, each of Fenwick and Wilson Sonsini advised their respective clients as to the ongoing discussions concerning unresolved key issues.

On November 30, 2014, a member of Spansion's board had a discussion with a representative of Wilson Sonsini to emphasize the importance of a balanced governance structure to reflect the merger of equals in which stockholders of

each company would own approximately 50% of the combined company on a fully-diluted basis based on each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of Spansion's exchangeable 2.00% senior notes, and help to achieve a successful integration of the businesses of Spansion and Cypress and the realization of the anticipated benefits of

Table of Contents

the merger for the stockholders of the combined company. It was subsequently agreed between the parties that Raymond Bingham, the chairman of Spansion's board, would be chairman of the board of the combined company, that a current Spansion director would chair each of the combined company's compensation committee and governance committee, that a current Cypress director would chair the combined company's audit committee and that Mr. Kispert would chair the combined company's operations committee that would oversee integration of the two organizations.

Later on November 30, 2014, the Spansion board met to discuss the status of negotiations with Cypress. Representatives of Morgan Stanley, Jefferies and Fenwick attended. At the meeting, representatives of Fenwick summarized the key terms of the merger agreement for the Spansion board, with observations made by Morgan Stanley, including the conditions under which the merger could be terminated by either party, the conditions under which a termination fee would be payable, the amount of the termination fee, Cypress' insistence on the stockholder voting provision and results of the negotiations regarding governance structure. Representatives of Morgan Stanley discussed financial aspects of the proposed business combination with Cypress. A representative of Fenwick also summarized for the board its fiduciary duties in connection with the proposed acquisition. The Spansion board indicated that, in light of the agreed balanced governance structure, the approximately 50% ownership of the combined company that Spansion stockholders were expected to receive, the anticipated strategic and financial benefits of the merger and the mutuality of the terms of the merger agreement, the board would be willing to accept the stockholder voting provision, provided that the remaining other issues in the merger agreement were satisfactorily resolved.

Subsequently, later on November 30, 2014 and early in the morning of December 1, 2014, Mr. Kispert received unsolicited emails from the management of Party K, in which Party K requested to meet with Mr. Kispert to continue discussions from early November 2014.

On December 1, 2014, the Spansion board met for the purpose of reviewing the final terms of the proposed merger agreement. At this meeting, representatives of Fenwick reviewed the resolution of the remaining issues in the merger agreement, and the board accepted them and the stockholder voting provision requested by Cypress. Representatives of Morgan Stanley provided an update to their financial review of the proposed merger. At the conclusion of the financial review, Morgan Stanley rendered for the benefit of the Spansion board its oral opinion, subsequently confirmed in writing on December 1, 2014, that as of such date and based upon and subject to the various assumptions, procedures, matters, qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Spansion common stock (other than the holders of the excluded shares). Following discussion, the Spansion board unanimously (1) approved the merger agreement and the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement, (2) authorized management to submit the merger agreement to the Spansion stockholders for adoption at the Spansion stockholder meeting and (3) recommended that Spansion's stockholders adopt the merger agreement and approve the transactions contemplated by the merger agreement. At the December 1, 2014 meeting, the Spansion board also determined that Mr. Kispert should not respond to the emails most recently received from Party J and Party K as a result of the board's decision to approve the merger agreement with Cypress.

Later on December 1, 2014, the Cypress board met for the purpose of reviewing the final terms of the proposed merger agreement. At this meeting, representatives of Qatalyst Partners delivered to the Cypress board an oral opinion, which opinion was subsequently confirmed by delivery of a written opinion dated December 1, 2014, to the effect that, as of that date and based on and subject to the considerations, limitations and other matters set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Cypress. Following discussion by the Cypress board, the Cypress board unanimously (1) approved the merger agreement and the transactions contemplated by the merger agreement, upon the terms and subject to the conditions

set forth in the merger agreement, (2) authorized management to submit the issuance of Cypress shares in connection with the merger to the Cypress stockholders for approval and (3) recommended that the Cypress stockholders approve the issuance of Cypress shares pursuant to the merger.

-50-

Table of Contents

Later on December 1, 2014, Fenwick and Wilson Sonsini finalized their due diligence investigations and related disclosure letters. Following the closing of trading on December 1, 2014, the parties executed the merger agreement.

Reasons for the Merger

Overview

The boards and management teams of both Cypress and Spansion believe that the proposed merger represents the best strategic alternative for delivering increased value to our respective stockholders.

Cypress and Spansion believe the merger presents a unique strategic opportunity to create a combined entity that will be a leading provider of microcontrollers and specialized memory chips for embedded systems, and that the merger should allow the combined company to deliver significant benefits to its customers, stockholders and employees. Cypress and Spansion further believe that the combined company will be able to achieve meaningful synergies. The Cypress and Spansion boards and their respective management teams each analyzed various strategic alternatives to address their respective risks and challenges as stand-alone entities. See the section entitled *Background of the Merger* beginning on page 41 of this joint proxy statement/prospectus. After reviewing and discussing their respective strategic alternatives and the opportunity for the combined company presented by the merger, as more fully described below, the Cypress and Spansion boards each determined to pursue the merger in lieu of the other alternatives because each believes the merger will create a combined company that will be able to achieve the strategic and financial benefits described below.

Recommendation of the Cypress Board

At a meeting held on December 1, 2014, among other things, the Cypress board unanimously:

determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Cypress and its stockholders;

determined that the effective time of the merger and the other transactions contemplated by the merger agreement on the terms and conditions set forth in the merger agreement are advisable and in the best interests of Cypress and its stockholders;

approved the merger agreement and authorized and directed the officers of Cypress to execute and deliver the merger agreement for and on behalf of Cypress;

authorized and directed the officers of Cypress, for and on behalf of Cypress, to take all actions necessary to list the shares of Cypress common stock to be issued in the merger pursuant to the merger agreement on the Nasdaq Global Select Market in order to proceed with the merger and the other transactions contemplated by the merger agreement; and

resolved to recommend that the stockholders of Cypress approve and vote **FOR** the proposal of the issuance of Cypress common stock in the merger pursuant to the terms of the merger agreement.

Accordingly, the Cypress board unanimously recommends that Cypress stockholders vote FOR the proposal of the issuance of Cypress common stock in the merger pursuant to the terms of the merger agreement.

Among other things considered by the Cypress board in making this recommendation, the Cypress board requested and considered the opinion of Qatalyst Partners, described below in the section entitled *Opinion of Cypress Financial Advisor* beginning on page 54 of this joint proxy statement/prospectus, that as of December 1, 2014, and subject to the limitations, qualifications and assumptions set forth therein, the exchange ratio pursuant to the merger agreement is fair, from a financial point of view, to Cypress. Qatalyst Partners' opinion addresses only the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view to Cypress. The Cypress board has determined that the merger agreement and the transactions contemplated thereby are advisable and in the best interests of the Cypress stockholders, based in part upon its consideration of the Qatalyst Partners' opinion, as well as numerous other factors described below.

Table of Contents

In reaching its decision to approve the merger agreement, the Cypress board consulted with Cypress management regarding the strategic aspects of the merger, Cypress legal counsel regarding the legal terms of the merger and Cypress financial advisors regarding the financial aspects of the merger and the fairness, from a financial point of view, of the exchange ratio to Cypress.

The Cypress and Spansion boards each identified the following anticipated strategic and financial benefits of the merger:

Complementary Businesses. The products and development capabilities of the two companies are complementary, and should enable the combined company to compete more effectively in attractive markets. The combined company should be stronger than either company on its own, with greater breadth and depth in microcontrollers and specialized memory product offerings and a greater ability to develop new product offerings in these market segments.

Customers. The combined company will have deep relationships with many of the market-leading customers in our chosen market segments. Cypress expects the combined company to improve Cypress and Spansion's existing ability to expand current customer relationships, and expect to increase the penetration of new customer accounts. Cypress believes that the combination of the two companies' product lines and engineering resources should enable the combined company to meet customer needs more effectively and to deliver more complete solutions to our customers. In addition, Cypress believes the larger sales organization, greater marketing resources and financial strength of the combined company may lead to improved opportunities for marketing the combined company's products.

Intellectual Property Portfolio. The combined company will have over 5,100 pending and issued U.S. patents, excluding pending and issued U.S. patents that have been abandoned, sold, or expired.

Synergies. The combined company is expected to realize more than \$135 million in synergies on an annualized basis within three years of and to be accretive to non-GAAP earnings within the first full year after completing the merger due to increased operating efficiencies and leveraging economies of scale. Cypress expects the combined company to achieve such benefits from exercising greater purchasing power with its suppliers; consolidation and reduction of areas of overlap in operating and other expenses, including the expenses of maintaining two separate public companies.

Stronger Financial Position. The combined company will have greater scale and financial resources, including total cash and short term investments of approximately \$[] on a pro forma basis. Cypress and Spansion expect that this stronger financial position will improve the combined company's ability to support product development strategies; to respond more quickly and effectively to customer needs, technological change, increased competition and shifting market demand; and to pursue strategic growth opportunities in the future, including acquisitions.

Stock-for-Stock Transaction with Fixed Exchange Ratio. The fact that the merger consideration is based on a fixed exchange ratio provides certainty as to the number of shares of Cypress common stock that will be issued to Spansion stockholders.

There can be no assurance that the anticipated strategic and financial benefits of the merger will be achieved, including that the anticipated synergies resulting from the merger will be achieved and/or reflected in the trading price of Cypress common stock following the completion of the merger.

Additional factors that the Cypress board considered in reaching its determination included, but were not limited to, the following:

the strategic benefits of the merger, as described in the section entitled *Reasons for the Merger* beginning on page 50 of this joint proxy statement/prospectus;

historical information concerning Cypress and Spansion's respective businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including

Table of Contents

public reports concerning results of operations during the most recent fiscal year and fiscal quarter for each company filed with the Securities and Exchange Commission;

management's view of the financial condition, results of operations and businesses of Cypress and Spansion before and after giving effect to the merger;

current financial market conditions and historical market prices, volatility and trading information with respect to the common stock of Cypress and the common stock of Spansion;

the relationship between the market value of the common stock of Spansion and the consideration to be paid to stockholders of Spansion in connection with the merger;

the belief that the terms of the merger agreement, including the parties' representations, warranties and covenants, and the conditions to their respective obligations, are reasonable;

management's view of the prospects of Cypress as an independent company;

other strategic alternatives for Cypress;

detailed financial analyses and pro forma and other information with respect to Cypress and Spansion presented by management and Qatalyst Partners, including Qatalyst Partners' opinion to the effect that, as of the date of the opinion, and based upon and subject to the limitations, qualifications and assumptions set forth its opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Cypress. A copy of Qatalyst Partners' written opinion is attached to this joint proxy statement/prospectus as Annex B;

the impact of the merger on Cypress' customers, suppliers and employees;

reports from management, legal and financial advisors as to the results of the due diligence investigation of Spansion;

the belief that the merger represents a unique strategic opportunity to create a market leader in SRAM and NOR Flash memory and a leading global provider of microcontrollers;

the ability and likelihood of Cypress and Spansion to complete the merger, including their ability to obtain necessary stockholder and regulatory approvals;

the fact that T.J. Rodgers will be the president and chief executive officer of the combined company; and

the requirement that Cypress or Spansion compensate the other in some circumstances if the merger does not occur.

In addition, the Cypress board also identified and considered a variety of potentially negative factors in its deliberations concerning the merger, including, but not limited to:

the risk that the potential benefits sought in the merger, including anticipated synergies, might not be fully realized;

the possibility that the merger might not be completed, or that completion might be delayed;

the substantial charges to be incurred in connection with the merger, including costs of integrating Cypress and Spansion and transaction expenses arising from the merger;

the risk that despite the efforts of the combined company, key technical and management personnel might not remain employed by the combined company;

the risk of diverting management focus and resources from other strategic opportunities and operational matters while implementing the merger;

the restrictions on the conduct of Cypress business during the pendency of the merger;

Table of Contents

the risk that either Cypress stockholders may fail to approve the issuance of the shares of Cypress common stock in connection with the merger or that Spansion stockholders may fail to adopt the merger agreement and approve the transactions contemplated by the merger agreement; and

various other risks associated with the merger and the businesses of Cypress and the combined company described in the section entitled *Risk Factors* beginning on page 19 of this joint proxy statement/prospectus.

The Cypress board concluded, however, that these negative factors could be managed or mitigated by Cypress or by the combined company or were unlikely to have a material impact on the merger or the combined company, and that, overall, the potentially negative factors associated with the merger were outweighed by the potential benefits of the merger.

The above discussion of the material factors considered by the Cypress board is not intended to be exhaustive, but does set forth the principal factors considered by it. The Cypress board collectively reached the unanimous conclusion to approve the merger agreement, the merger and the transactions contemplated by the merger agreement in light of the various factors described above and other factors that each member of the Cypress board felt were appropriate. In view of the wide variety of factors considered by it in connection with its evaluation of the merger and the complexity of these matters, the Cypress board did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Rather, the Cypress board made its recommendation based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above and in making their determinations, individual directors may have given different weights to different factors.

Opinion of Cypress Financial Advisor

Cypress retained Qatalyst Partners to act as financial advisor to the Cypress board in connection with a potential transaction and to evaluate whether the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Cypress. Cypress selected Qatalyst Partners to act as its financial advisor based on Qatalyst Partners qualifications, expertise, reputation and knowledge of the business and affairs of Cypress and the industry in which it operates. Qatalyst Partners has provided its written consent to the reproduction of the Qatalyst Partners opinion in this joint proxy statement/prospectus. At the meeting of the Cypress board on December 1, 2014, Qatalyst Partners rendered its oral opinion, that, as of such date and based upon and subject to the considerations, limitations and other matters set forth therein, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Cypress. Qatalyst Partners delivered its written opinion, dated December 1, 2014, to the Cypress board following the meeting of the Cypress board.

The full text of Qatalyst Partners written opinion, dated December 1, 2014, to the Cypress board, is attached hereto as Annex B and is incorporated by reference herein. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by Qatalyst Partners in rendering its opinion. You should read the opinion carefully in its entirety. Qatalyst Partners opinion was provided to the Cypress board and addresses only, as of the date of the opinion, the fairness from a financial point of view, of the exchange ratio pursuant to the merger agreement, to Cypress, and it does not address any other aspect of the merger. It does not constitute a recommendation as to how any holder of shares of Cypress common stock or shares of Spansion common stock should vote with respect to the merger or any other matter and does not in any manner address the price at which the Cypress common stock or Spansion common stock will trade at any time. The summary of Qatalyst Partners opinion set forth herein is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Qatalyst Partners reviewed the merger agreement, certain related documents and certain publicly available financial statements and other business and financial information of Spansion and Cypress. Qatalyst Partners also reviewed (i) certain forward-looking information relating to Spansion prepared

by the managements of Spansion and Cypress, including financial projections and operating data of Spansion

Table of Contents

which we refer to as the Spansion projections, (ii) certain forward-looking information relating to Cypress prepared by the management of Cypress, including financial projections and operating data of Cypress, which we refer to as the

Cypress projections and (iii) information relating to certain strategic, financial and operational benefits anticipated from the merger prepared by the managements of Cypress and Spansion, which we refer to as the synergies, each as described below in the section entitled *Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor* beginning on page 58 of this joint proxy statement/prospectus. Additionally, Qatalyst Partners discussed the past and current operations and financial condition and the prospects of Spansion and Cypress with senior executives of Spansion and Cypress. Qatalyst Partners also reviewed the historical market prices and trading activity for the Spansion common stock and Cypress common stock and compared the financial performance of Spansion and Cypress and the prices and trading activity of the Spansion common stock and Cypress common stock with that of certain other selected publicly-traded companies and their securities. In addition, Qatalyst Partners performed such other analyses, reviewed such other information and considered such other factors as Qatalyst Partners deemed appropriate.

In arriving at its opinion, Qatalyst Partners assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to, or discussed with, Qatalyst Partners by Spansion and Cypress. With respect to the Spansion projections, Qatalyst Partners was advised by management teams of Spansion and Cypress, and Qatalyst Partners assumed, that the Spansion projections had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Spansion and Cypress of the future financial performance of Spansion. With respect to the Cypress projections, Qatalyst Partners was advised by the management of Cypress, and Qatalyst Partners assumed, that the Cypress projections had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the future financial performance of Cypress. With respect to the synergies, Qatalyst Partners was advised by the management of Cypress, and Qatalyst Partners assumed, that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Cypress relating to the strategic, financial and operational benefits anticipated from the merger. Qatalyst Partners assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement, without any modification, waiver or delay. In addition, Qatalyst Partners assumed, that in connection with the receipt of all the necessary approvals of the proposed merger, no delays, limitations, conditions or restrictions will be imposed that could have an adverse effect on Spansion, Cypress or the contemplated benefits expected to be derived in the proposed merger. Qatalyst Partners also assumed that the merger will qualify as a tax-free reorganization under the Internal Revenue Code of 1986, as amended. Qatalyst Partners did not make any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Spansion or Cypress, nor was Qatalyst Partners furnished with any such evaluation or appraisal. In addition, Qatalyst Partners relied, without independent verification, upon the assessment of the managements of Spansion and Cypress as to (i) the existing and future technology and products of Spansion and Cypress and the risks associated with such technology and products, (ii) their ability to integrate the business of Spansion and Cypress and (iii) their ability to retain key employees of Spansion and Cypress. Qatalyst Partners' opinion has been approved by Qatalyst Partners' opinion committee in accordance with its customary practice.

Qatalyst Partners' opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after the date of the opinion may affect Qatalyst Partners' opinion and the assumptions used in preparing it, and Qatalyst Partners has not assumed any obligation to update, revise or reaffirm its opinion. Qatalyst Partners' opinion does not address the underlying business decision of Cypress to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may be available to Cypress. Qatalyst Partners' opinion is limited to the fairness, from a financial point of view, of the exchange ratio pursuant to the merger agreement, to Cypress and Qatalyst Partners expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of the officers, directors or employees of Cypress or Spansion, or any class of such persons, relative to such exchange ratio.

Table of Contents

The following is a brief summary of the material analyses performed by Qatalyst Partners in connection with its opinion dated December 1, 2014. The analyses and factors described below must be considered as a whole; considering any portion of such analyses or factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Qatalyst Partners' opinion. For purposes of its analyses, Qatalyst Partners utilized the Cypress Case 1, Cypress Case 2, Spansion Case 1 and Spansion Case 2 projections, as well as the estimated synergies, each described below in the section entitled *Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor*, beginning on page 58 of this joint proxy statement/prospectus. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Qatalyst Partners, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Qatalyst Partners' financial analyses.

Illustrative Contribution Analysis

Qatalyst Partners calculated the equity ownership of the combined company that would be attributable to Cypress stockholders based on Cypress' relative contribution to specific future financial metrics, namely revenue, gross profit, operating income and net income for Spansion and Cypress before taking into account the synergies that may be realized following the completion of the merger, for estimated years 2014 through 2017, using the Cypress projections and the Spansion projections. This analysis was undertaken to assist the Cypress board in understanding how Cypress stockholders' ownership in the combined company implied by the exchange ratio (approximately 49.8% based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method based on trading prices at the time of announcement) and net share settlement of Spansion's exchangeable 2.00% senior notes) compared with the implied equity ownership for Cypress based on its contribution to certain future financial metrics for Spansion and Cypress. Qatalyst Partners derived implied pro forma equity ownerships of Cypress from such illustrative pro forma revenue, gross profit, operating income and net income contributions based on the assumption that Spansion's convertible debt would be treated as net share settled at prices above the applicable capped call price. The following table presents the results of this analysis:

| | Cypress Case 1 and Spansion Case 1 | | | | Cypress Case 2 and Spansion Case 2 | | | |
|-------------------------|------------------------------------|-------|-------|-------|------------------------------------|-------|-------|-------|
| | CY14E | CY15E | CY16E | CY17E | CY14E | CY15E | CY16E | CY17E |
| Revenue | 35.8% | 36.6% | 39.0% | 40.2% | 36.0% | 37.7% | 37.3% | 37.4% |
| Gross Profit | 46.8% | 46.4% | 48.7% | 49.4% | 47.1% | 48.2% | 46.7% | 46.6% |
| Operating Income | 58.2% | 50.0% | 51.5% | 51.7% | 59.8% | 58.6% | 52.4% | 53.4% |
| Net Income | 65.3% | 54.1% | 54.3% | 53.8% | 67.2% | 65.9% | 56.8% | 57.0% |

Illustrative Relative Discounted Cash Flow Analysis

Qatalyst Partners performed an illustrative discounted cash flow (which we refer to as DCF) analysis, which is designed to imply a potential, present value of share values for Spansion common stock and Cypress common stock as of December 31, 2014 by:

adding:

- (1) the implied net present value of the estimated future unlevered free cash flows of Spansion and Cypress, based on the Spansion projections and the Cypress projections, respectively, for fiscal year 2015 through fiscal year 2019 (which implied present value was calculated by using a range of discount rates of 8.5% to 12% for Spansion and 10% to 14% to Cypress, based on an estimated weighted average cost of capital for Spansion and Cypress, respectively); and
- (2) the implied net present value of a corresponding terminal value of Spansion and Cypress, respectively, calculated by multiplying the estimated net operating profit after tax (assuming, in the case of Spansion, an effective tax rate of 28%, which tax rate excludes the effect of Spansion's

Table of Contents

estimated tax attributes, as such Spansion tax attributes were separately valued) (which we refer to as NOPAT), in fiscal year 2020, based on the Spansion projections and Cypress projections, respectively, by a range of multiples of terminal next-12-months NOPAT multiples of 11x to 16x for Spansion and 13x to 19x for Cypress, and discounted to present value using the same range of discount rates used in item (1) above;

adding, in the case of Spansion, the value associated with Spansion's estimated tax attributes;

subtracting net debt of Spansion or Cypress, as applicable, estimated as of December 31, 2014, assuming in the case of Spansion that exchangeable debt would be treated as net share settled at prices above the applicable capped call price;

applying a dilution factor of 18.5% for Spansion and 17.2% for Cypress to reflect the dilution to current stockholders over the projection period due to the effect of future equity compensation grants projected by management of Spansion and Cypress, respectively; and

dividing the resulting amount for (i) Spansion by the number of fully-diluted shares of Spansion common stock outstanding, adjusted for stock options, restricted stock units and performance stock units, as estimated by Spansion's management as of November 30, 2014, and assuming that Spansion's exchangeable debt would be treated as net share settled at prices above the applicable capped call price and (ii) for Cypress by the number of fully-diluted shares of Cypress common stock outstanding, stock options, restricted stock awards, restricted stock units, performance stock units and performance accelerated restricted stock, as provided by Cypress's management as of November 28, 2014.

Based on the calculations set forth above, Qatalyst Partners calculated the following implied exchange ratio reference ranges (the high end of each implied exchange ratio reference range was calculated by dividing the high end of Spansion's implied per share price reference range by the low end of Cypress's implied per share price reference range, the low end of each implied exchange ratio reference range was calculated by dividing the low end of Spansion's implied per share price reference range by the high end of Cypress's implied per share price reference range, and the indicated midpoint value of each implied exchange ratio reference range was calculated by dividing the midpoint of Spansion's implied per share price reference range by the midpoint of Cypress's implied per share price reference range):

Cypress Case 1 and Spansion Case 1

1.606 3.804, implied midpoint: 2.465

Illustrative Incremental Value DCF Analysis

Cypress Case 2 and Spansion Case 2

1.615 3.696; implied midpoint: 2.428

Qatalyst Partners also performed an illustrative pro forma discounted cash flow analysis with respect to Cypress, taking into account the proposed merger with Spansion, at the exchange ratio, based on the Unaudited Pro Forma Combined Forecasts, which are described below in the section entitled *Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor* beginning on page 58 of this joint proxy statement/prospectus, to calculate indications of the implied pro forma present value of shares of Cypress common stock in the event the merger is completed and subtracted from such implied pro forma present value the implied

present value per share of Cypress common stock on a standalone basis (calculated above) to calculate the illustrative incremental present value per share of Cypress common stock resulting from the merger. Qatalyst Partners calculated pro forma prices per share using the methodologies above and by applying a pro forma discount rate of 9% to 13%, based on an estimated weighted average cost of capital for Cypress in the event the merger is completed, and a pro forma terminal next-12-months NOPAT multiple of 13x to 17x, and applying a dilution factor of 16.7% to 17.5% as provided by Cypress management. This analysis resulted in the following implied ranges of illustrative incremental values per share of Cypress common stock:

| Cypress Case 1 and | | Cypress Case 1 and | | Cypress Case 2 and | | Cypress Case 2 and | |
|---------------------------|---------|---------------------------|--------|---------------------------|---------|---------------------------|--------|
| Spancion Case 1 | | Spancion Case 2 | | Spancion Case 1 | | Spancion Case 2 | |
| \$8.97 | \$11.38 | \$4.45 | \$5.73 | \$10.96 | \$14.89 | \$6.82 | \$8.77 |

-57-

Table of Contents*Miscellaneous*

In connection with the review of the merger by the Cypress board, Qatalyst Partners performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily amenable to a partial analysis or summary description. In arriving at its opinion, Qatalyst Partners considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Qatalyst Partners believes that selecting any portion of its analyses, without considering all analyses as a whole, could create a misleading or incomplete view of the process underlying its analyses and opinion. In addition, Qatalyst Partners may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Qatalyst Partners' view of the actual value of Spansion and Cypress. In performing its analyses, Qatalyst Partners made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Spansion and Cypress. Any estimates contained in Qatalyst Partners' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Qatalyst Partners conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the exchange ratio pursuant to the merger agreement to Cypress, and in connection with the delivery of its opinion to the Cypress board. These analyses do not purport to be appraisals or to reflect the price at which the Spansion common stock or the Cypress common stock might actually trade.

Qatalyst Partners' opinion and its presentation to the Cypress board were two of many factors considered by the Cypress board in deciding to approve the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Cypress board with respect to the exchange ratio pursuant to the merger agreement to Cypress or of whether the Cypress board would have been willing to agree to a different exchange ratio. The exchange ratio was determined through arm's-length negotiations between Spansion and Cypress and was approved by the Cypress board. Qatalyst Partners provided advice to Cypress during these negotiations. Qatalyst Partners did not, however, recommend any specific exchange ratio to Cypress or that any specific consideration constituted the only appropriate consideration for the merger.

Qatalyst Partners provides investment banking and other services to a wide range of corporations and individuals, domestically and offshore, from which conflicting interests or duties may arise. In the ordinary course of these activities, affiliates of Qatalyst Partners may at any time hold long or short positions, and may trade or otherwise effect transactions in debt or equity securities or loans of Spansion, Cypress or certain of their respective affiliates. During the two year period prior to the date of Qatalyst Partners' opinion, no material relationship existed between Qatalyst Partners or any of its affiliates and Spansion or Cypress pursuant to which compensation was received by Qatalyst Partners or its affiliates; however, Qatalyst Partners and/or its affiliates may in the future provide investment banking and other financial services to Spansion or Cypress or any of their respective affiliates for which it would expect to receive compensation.

Under the terms of its engagement letter, Qatalyst Partners provided Cypress with financial advisory services in connection with the proposed merger for which it will be paid \$19 million, \$150,000 of which was payable upon the execution of such engagement letter and \$4 million of which was payable upon delivery of its opinion (regardless of the conclusion reached in the opinion), and the remaining portion of which will be paid upon, and subject to, consummation of the merger. Cypress has also agreed to reimburse Qatalyst Partners for its expenses incurred in performing its services. Cypress has also agreed to indemnify Qatalyst Partners and its affiliates, their respective members, directors, officers, partners, agents and employees and any person controlling Qatalyst Partners or any of its

affiliates against certain liabilities, including liabilities under federal securities law, and certain expenses related to or arising out of Qatalyst Partners' engagement.

-58-

Table of Contents

Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor

Although Cypress has publicly issued limited projections concerning various aspects of its expected financial performance, Cypress does not make public disclosure of detailed forecasts or projections of its expected financial performance for extended periods because of, among other things, the inherent difficulty of accurately predicting financial performance for future periods and the likelihood that the underlying assumptions and estimates may prove incorrect.

In connection with the evaluation of the merger, however, Cypress management prepared unaudited prospective financial information for Cypress on a stand-alone basis, without giving effect to the merger, and on a combined basis, and estimated synergies arising in connection with the merger. Cypress is electing to provide the summary unaudited prospective financial information and the estimated synergies in this section of the joint proxy statement/prospectus to provide Cypress and Spansion stockholders access to certain non-public unaudited prospective financial information and estimated synergies that were made available to the Cypress board, and a portion of which were made available to the Spansion board as described in the section entitled *Certain Prospective Financial Information Reviewed by the Spansion board and Spansion's Financial Advisor* beginning on page 75 of this joint proxy statement/prospectus, for purposes of considering and evaluating the merger.

The unaudited prospective financial information and estimated synergies were also provided to the financial advisor of Cypress. See also the section entitled *Opinion of Cypress Financial Advisor* beginning on page 54 of this joint proxy statement/prospectus. The unaudited prospective financial information and estimated synergies were not prepared with a view toward public disclosure and the inclusion of summary unaudited prospective financial information and estimated synergies below should not be regarded as an indication that any of Cypress, Spansion or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. None of Cypress, Spansion, or their respective affiliates or representatives assumes any responsibility to stockholders of Cypress or Spansion for the accuracy of this information.

The unaudited prospective financial information and estimated synergies summarized below were not prepared for purposes of public disclosure, nor were they prepared on a basis designed to comply with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of projections. Neither Cypress independent registered public accounting firm, which is listed as an expert in the section entitled *Experts* on page 136 of this joint proxy statement/prospectus, nor any other independent accountants, compiled, examined or performed any procedures with respect to the projections or estimated synergies summarized below, and has not expressed any opinion or any other form of assurance on this information or its achievability, and assumes no responsibility for, and disclaims any association with, the unaudited prospective financial information and estimated synergies. The reports of the independent registered public accounting firms incorporated by reference in this joint proxy statement/prospectus relate to historical financial statements. They do not extend to any prospective financial information or the estimated synergies and should not be seen to do so.

Although presented with numerical specificity, the unaudited prospective financial information and estimated synergies were prepared in accordance with variables, estimates, and assumptions that are inherently uncertain and may be beyond the control of Cypress, and which may prove not to have been, or to no longer be, accurate. While in the view of Cypress management the unaudited prospective financial information and estimated synergies were prepared on a reasonable basis, the unaudited prospective financial information and estimated synergies are subject to many risks and uncertainties. Important factors that may affect actual results and cause actual results to differ materially from the unaudited prospective financial information and estimated synergies include risks and uncertainties relating to Cypress and Spansion's businesses, industry performance, the regulatory environment, general

business and economic conditions, market and financial conditions, various risks set forth in Cypress and Spansion's reports filed with the Securities and Exchange Commission, and other factors described or referenced in the section entitled *Cautionary Statement Regarding Forward-Looking Information* on page 26 of this joint proxy statement/prospectus.

Table of Contents

The unaudited prospective financial information and estimated synergies also reflect assumptions that are subject to change and are susceptible to multiple interpretations and periodic revisions based on actual results, revised prospects for Cypress and Spansion's businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the unaudited prospective financial information and estimated synergies were prepared. In addition, the unaudited prospective financial information and estimated synergies do not take into account any circumstances, transactions or events occurring after the date the unaudited prospective financial information and estimated synergies were prepared. Accordingly, actual results will likely differ, and may differ materially, from those contained in the unaudited prospective financial information and estimated synergies. We do not assure you that the financial results in the unaudited prospective financial information or the synergies set forth in the estimated synergies will be realized or that future financial results (including synergies) of Cypress or Spansion will not materially vary from those in the unaudited prospective financial information or the estimated synergies.

None of Cypress, Spansion, or their respective affiliates, officers, directors, or other representatives gives any stockholder of Cypress or Spansion, or any other person, any assurance that actual results will not differ materially from the unaudited prospective financial information or the estimated synergies, and, except as otherwise required by law, none of them undertakes any obligation to update or otherwise revise or reconcile the unaudited prospective financial information or the estimated synergies to reflect circumstances after the date the unaudited prospective financial information and estimated synergies were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions and estimates underlying the unaudited prospective financial information and estimated synergies are shown to be in error.

No one has made or makes any representation to any stockholder of Cypress or Spansion, or anyone else regarding, nor assumes any responsibility for the validity, reasonableness, accuracy or completeness of, the unaudited prospective financial information or the estimated synergies set forth below. You are cautioned not to rely on the unaudited prospective financial information or the estimated synergies. The inclusion of this information should not be regarded as an indication that the Cypress board, the Spansion board, any of their advisors or any other person considered, or now considers, it to be material or to be a reliable prediction of actual future results.

The unaudited prospective financial information and estimated synergies included below cover multiple years, and this information by its nature becomes subject to greater uncertainty with each successive year. The unaudited prospective financial information and estimated synergies should be evaluated, if at all, in conjunction with the historical financial statements and other information contained in Cypress and Spansion's respective public filings with the Securities and Exchange Commission.

Cypress management made various assumptions when preparing the unaudited Cypress prospective financial information. The Cypress forecasts reflect in the first case, which we refer to as Cypress Case 1, Cypress' internal five-year projections developed for internal review and financial prospects that are more positive than Cypress Case 2 but less positive than the the 75th percentile or 75%-ile revenue forecast for the years 2015 through 2018 that Cypress published in its annual report for 2013. Cypress Case 1 reflects the management team's view of the growth potential of each business unit. The forecast assumes that each of the core semiconductor businesses units will grow over the forecast period, supporting a CAGR of 8% from 2014 to 2020 for the combined revenue from those business units and a CAGR of 13% from 2014 to 2020 for overall Cypress revenue. The Cypress forecasts reflect in the second case, which we refer to as Cypress Case 2, the financial prospects associated with the the 25th percentile or 25%-ile revenue forecast for the years 2015 through 2018 that Cypress published in its annual report for 2013. The Cypress revenue forecast for these years statistically combines the individual revenue forecasts for each of Cypress' business units using Monte Carlo analysis to allow for the fact that success and failure could simultaneously occur in different groups. The assumptions support an overall Cypress revenue CAGR of 5% from 2014 to 2018, with only 2% CAGR in combined

revenues from the core semiconductor business units of the Cypress Memory Products Division, Programmable Systems Division and Data Communications Division over the time period. The projections of

-60-

Table of Contents

2019 and 2020 overall Cypress revenue assume that compound annual revenue growth over the period continues to be 5%. These assumptions supported a revenue CAGR of 5% to 14% from 2014 to 2018. The forecasts did not attempt to take into account a variety of detailed assumptions or other matters that have changed since the preparation of the forecasts, such as Cypress' actual 2014 financial performance and changes to general economic conditions.

The following table presents summary selected unaudited Cypress prospective financial information for the calendar years ending 2015 through 2020 prepared by Cypress management in connection with the Cypress board's evaluation of the merger (in millions):

| | Cypress Case 1 | | | | | | Cypress Case 2 | | | | | |
|---------------------------|----------------|--------|----------|----------|----------|----------|----------------|--------|--------|--------|--------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | \$ 816 | \$ 955 | \$ 1,067 | \$ 1,233 | \$ 1,380 | \$ 1,495 | \$ 780 | \$ 794 | \$ 827 | \$ 894 | \$ 950 | \$ 987 |
| Non-GAAP Operating Income | | | | | | | | | | | | |
| NOPAT | \$ 138 | \$ 191 | \$ 232 | \$ 290 | \$ 338 | \$ 366 | \$ 128 | \$ 136 | \$ 153 | \$ 186 | \$ 199 | \$ 207 |
| Unlevered Free Cash Flow | \$ 128 | \$ 177 | \$ 216 | \$ 270 | \$ 308 | \$ 330 | \$ 119 | \$ 126 | \$ 142 | \$ 173 | \$ 181 | \$ 187 |
| Cash Flow | \$ 99 | \$ 160 | \$ 242 | \$ 296 | \$ 320 | \$ 343 | \$ 76 | \$ 113 | \$ 161 | \$ 193 | \$ 198 | \$ 207 |

Non-GAAP Operating Income adjusts GAAP operating income to exclude costs associated with stock-based compensation, intangible amortization, restructuring charges, acquisition related expenses, inventory markup amortization, bankruptcy reserve reversal, litigation reserve, financing arrangements related costs and other non-cash or non-recurring adjustments, net. The Spansion and combined projections noted below include the impact of actual defensive litigation expense incurred and excludes the adjustments to the accrual for estimated defensive litigation costs for the next four quarters per Spansion policy.

Net Operating Profit After Tax, which we refer to as NOPAT, is the relevant company's operating profits presented on a non-U.S. GAAP basis to exclude costs listed in the in Non-GAAP Operating Income, and tax-affected for a specific time period.

Unlevered Free Cash Flow is a non-U.S. GAAP financial measure calculated by starting with non-U.S. GAAP operating income and subtracting taxes, capital expenditures, investments in working capital and investments in certain equity securities and then adding back depreciation and amortization expense. Pro Forma Combined Unlevered Free Cash Flow subtracts cash restructuring costs.

Due to the forward-looking nature of the selected unaudited prospective financial information, specific quantifications of the amounts that would be required to reconcile it to GAAP measures are not available. Cypress believes that there is a degree of volatility with respect to certain GAAP measures, and certain adjustments made to arrive at the relevant non-GAAP measures, which preclude Cypress from providing accurate forecasted non-GAAP to GAAP reconciliations.

In connection with Cypress' consideration of the merger, Spansion's management provided Cypress with summary selected unaudited prospective financial information for the calendar years 2014 through 2017. After review of this summary selected unaudited Spansion prospective financial information, Cypress' management prepared two alternative versions of this unaudited Spansion prospective financial information, based on Cypress' due diligence investigation of Spansion and assumptions deemed appropriate by Cypress' management relating to Spansion's

business and operations for the years 2014 through 2017, as well as extrapolations of this alternative Spansion prospective financial information, based on assumptions deemed appropriate by Cypress management relating to Spansion's business and operations for the years 2018, 2019 and 2020.

-61-

Table of Contents

We refer to this alternative unaudited prospective financial information as the adjusted Spansion forecasts. The adjusted Spansion forecasts reflect in the first case, which we refer to as Spansion Case 1, a defensive litigation expense of \$20 million in 2014 and \$11 million in 2015 as well certain tax assumptions, and in the second case, which we refer to as Spansion Case 2, revise flash revenue downwards by approximately 8% to 12% per annum for the periods projected and accelerate licensing revenue decline. The forecasts did not attempt to take into account a variety of detailed assumptions or other matters that have changed since the preparation of the forecasts, such as Spansion's actual 2014 financial performance and changes to general economic conditions. The following table presents the adjusted Spansion forecasts (in millions):

| | Spansion Case 1 | | | | | | Spansion Case 2 | | | | | |
|----------------------------------|------------------------|----------|----------|----------|----------|----------|------------------------|----------|----------|----------|----------|----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | \$ 1,363 | \$ 1,450 | \$ 1,550 | \$ 1,643 | \$ 1,742 | \$ 1,846 | \$ 1,249 | \$ 1,292 | \$ 1,341 | \$ 1,388 | \$ 1,436 | \$ 1,486 |
| Non-GAAP Operating Income | \$ 138 | \$ 180 | \$ 218 | \$ 269 | \$ 316 | \$ 369 | \$ 93 | \$ 124 | \$ 135 | \$ 153 | \$ 173 | \$ 193 |
| NOPAT | \$ 100 | \$ 130 | \$ 157 | \$ 194 | \$ 228 | \$ 266 | \$ 67 | \$ 90 | \$ 97 | \$ 110 | \$ 124 | \$ 139 |
| Unlevered Free Cash Flow | \$ 100 | \$ 138 | \$ 130 | \$ 178 | \$ 216 | \$ 251 | \$ 90 | \$ 95 | \$ 77 | \$ 98 | \$ 115 | \$ 133 |

In order to help the Cypress board analyze the merger, Cypress management prepared unaudited prospective financial information that combined the first and second Cypress projection cases described above and the two alternative versions of Spansion's unaudited prospective financial information, taking into account estimated synergies, which we refer to as the Unaudited Pro Forma Combined Forecasts. The following table presents the Unaudited Pro Forma Combined Forecasts (in millions):

| | Pro Forma Combined Including Synergies: Cypress Case 1 and Spansion Case 1 | | | | | | Pro Forma Combined Including Synergies: Cypress Case 1 and Spansion Case 2 | | | | | |
|----------------------------------|---|----------|----------|----------|----------|----------|---|----------|----------|----------|----------|----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | \$ 2,179 | \$ 2,419 | \$ 2,638 | \$ 2,902 | \$ 3,147 | \$ 3,367 | \$ 2,065 | \$ 2,261 | \$ 2,429 | \$ 2,646 | \$ 2,842 | \$ 3,007 |
| Non-GAAP Operating Income | \$ 291 | \$ 457 | \$ 596 | \$ 726 | \$ 823 | \$ 904 | \$ 246 | \$ 402 | \$ 513 | \$ 610 | \$ 679 | \$ 728 |
| NOPAT | \$ 266 | \$ 421 | \$ 549 | \$ 669 | \$ 748 | \$ 816 | \$ 220 | \$ 369 | \$ 473 | \$ 565 | \$ 619 | \$ 658 |
| Unlevered Free Cash Flow | \$ 202 | \$ 363 | \$ 554 | \$ 669 | \$ 757 | \$ 815 | \$ 178 | \$ 321 | \$ 476 | \$ 561 | \$ 628 | \$ 665 |

| | Pro Forma Combined Including Synergies Cypress Case 2 and Spansion Case 1 | | | | | | Pro Forma Combined Including Synergies Cypress Case 2 and Spansion Case 2 | | | | | |
|---------------------------|--|----------|----------|----------|----------|----------|--|----------|----------|----------|----------|----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenue | \$ 2,143 | \$ 2,258 | \$ 2,397 | \$ 2,563 | \$ 2,717 | \$ 2,859 | \$ 2,030 | \$ 2,100 | \$ 2,188 | \$ 2,307 | \$ 2,412 | \$ 2,500 |
| Non-GAAP Operating | \$ 282 | \$ 403 | \$ 517 | \$ 621 | \$ 685 | \$ 745 | \$ 236 | \$ 347 | \$ 434 | \$ 505 | \$ 541 | \$ 570 |

Income

| | | | | | | | | | | | | |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| NOPAT | \$ 257 | \$ 371 | \$ 476 | \$ 572 | \$ 622 | \$ 673 | \$ 211 | \$ 318 | \$ 399 | \$ 468 | \$ 493 | \$ 515 |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

Unlevered**Free**

| | | | | | | | | | | | | |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cash Flow | \$ 180 | \$ 312 | \$ 482 | \$ 571 | \$ 636 | \$ 680 | \$ 156 | \$ 270 | \$ 405 | \$ 464 | \$ 507 | \$ 529 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

In calculating estimated synergies, Cypress management made assumptions with respect to expenses including manufacturing, sales and marketing, product development, personnel, facilities, information technology infrastructure and administration. Assumptions include a reduction in redundant expenses, a reduction of duplicative operating resources, future headcount avoidance and severance costs to achieve synergies. The following table presents estimated synergies, excluding some amounts related to the pro forma tax structure of the combined business, prepared in connection with Cypress' evaluation of the merger (in millions) for the years 2015 through 2020:

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|-------|-------|--------|--------|--------|--------|
| Estimated Synergies | \$ 16 | \$ 89 | \$ 148 | \$ 168 | \$ 171 | \$ 171 |

-62-

Table of Contents

The adjusted Spansion forecasts were used to assist the Cypress board in its evaluation of the quantitative and strategic rationale for the merger. Cypress also provided the adjusted Spansion forecasts to its financial advisor for use in connection with the preparation of its financial analyses described in the section entitled *Opinion of Cypress Financial Advisor* beginning on page 54 of this joint proxy statement/prospectus.

Interests of the Directors and Executive Officers of Cypress in the Merger

Immediately following the effective time of the merger, the Cypress board (the combined company) will have eight total members, four of whom will be from the current Cypress board, including T.J. Rodgers, Eric A. Benhamou and two others from the current Cypress board to be mutually agreed, and four of whom will be from the current Spansion board. Immediately following the effective time of the merger, the chairman of the Audit committee of the Cypress board will be one of the members of the Cypress board as of immediately prior to the effective time of the merger, the chairman of the operations committee, the nominating and governance committee and the compensation committee will in each case be one of the members of the Spansion board as of immediately prior to the effective time of the merger. Mr. Rodgers will be the chief executive officer of the combined company and Thad Trent will be the chief financial officer of the combined company. Before the effective time of the merger, Cypress will also purchase, for the benefit of the directors and officers of Cypress, liability insurance with a coverage limit of no less than \$50 million, or such other amount as is mutually agreed by Spansion and Cypress.

Cypress Executive Compensation Payable in Connection with the Merger

As indicated by the following table which sets forth the information required by Item 402(t) of Regulation S-K promulgated by the Securities and Exchange Commission in this joint proxy statement/prospectus, none of Cypress named executive officers for fiscal year 2013 or Cypress' current Chief Financial Officer, will receive compensation that is based on, or that otherwise relates to, the merger.

Golden Parachute Compensation

| Executive | Cash (\$) | Equity (\$) | Pension / NQDC (\$) | Perquisites / Benefits (\$) | Tax Reimbursement (\$) | Other (\$) | Total (\$) |
|---------------------|-----------|-------------|------------------------|--------------------------------|------------------------------|------------|------------|
| T.J. Rodgers | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thad Trent | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Paul D. Keswick | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Badri Kothandaraman | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dana C. Nazarian | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Brad W. Buss | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Recommendation of the Spansion Board; Spansion's Reasons for the Merger

At a meeting held on December 1, 2014, the Spansion board unanimously (1) approved the merger agreement and the transactions contemplated by the merger agreement, upon the terms and subject to the conditions set forth in the merger agreement, (2) authorized management to submit the merger agreement to the Spansion stockholders for adoption at the Spansion stockholder meeting and (3) recommended that Spansion's stockholders adopt the merger agreement and approve the transactions contemplated by the merger agreement.

Accordingly, the Spansion board unanimously recommends that Spansion stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement at the Spansion stockholder meeting.

The Spansion board believes that the merger presents a strategic opportunity to create value for Spansion's stockholders. In reaching its decision to approve the merger agreement and recommend the adoption of the

-63-

Table of Contents

merger agreement to its stockholders, the Spansion board consulted with management, as well as its legal advisors and financial advisors, and considered a number of factors, including, among others, the following:

the Spansion board's evaluation of the significant strategic opportunities and benefits of the merger, including, among others, the following:

- (1) its belief that the merger represents a unique strategic opportunity to create a new market leader in SRAM and NOR Flash memory and a leading global provider of microcontrollers, well positioned for sustained growth and profitability across its geographies and business segments;
- (2) the expectation based on estimates by Spansion and Cypress management prior to the execution of the merger agreement that the merger will result in more than \$135 million in synergies on an annualized basis within three years;
- (3) the expectation that the merger will be accretive to non-GAAP earnings per share in the first full year following the closing;
- (4) the value of the consideration to be received by Spansion stockholders as a result of the transaction and the relationship between the current and historical market values of Spansion common stock and Cypress common stock;
- (5) the fact that the exchange ratio represented a premium to the trading price of Spansion common stock at the time the merger agreement was signed that was significant for a merger of equals transaction;
- (6) its conclusion that the businesses of Spansion and Cypress are a complementary fit and that the merger will provide expanded product offerings, greater opportunities for innovation, synergy opportunities, scale advantages and enhanced opportunities for growth, including in the automotive, IoT, industrial and communications markets;
- (7) the potential to increase revenue through cross-selling to shared strategic customer accounts; and
- (8) the expectation that Spansion stockholders will benefit from Cypress's stated dividend policy upon effective time of the merger;

the Spansion board's knowledge of Spansion's business, financial and competitive position, and of Spansion's operating plan for 2015 and its strategic plans for subsequent years;

the Spansion board's understanding of Cypress' business, financial and competitive position, and of Cypress operating plan for 2015 and its strategic plans for subsequent years;

current financial market conditions and historical market prices, volatility and trading information with respect to Spansion's common stock and Cypress' common stock;

current industry, economic and market conditions and the various alternatives to the merger, including Spansion continuing to operate as an independent enterprise or completing a business combination with another party and the benefits and risks associated with those alternatives;

the structure of the transaction as a merger of equals in which Spansion stockholders would have substantial participation in the future growth and value creation of the combined company and the expectation that the Spansion board and management would have a meaningful role in the management and governance of the combined company, including, among others, the following:

- (1) the fixed exchange ratio, which will not fluctuate as a result of changes in the market prices of shares of Spansion or Cypress, and which provides certainty that Spansion stockholders will own approximately 50.2% of the fully diluted shares of Cypress common stock following the completion of the merger based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes;
- (2) that upon closing the board of the combined company will consist of an equal number of directors selected by Spansion and by Cypress;

Table of Contents

- (3) that Spansion's non-executive chairman of the board, Raymond Bingham, will be appointed as the non-executive chairman of the board of the combined company;
- (4) that Spansion's President and Chief Executive Officer, John H. Kispert, will be appointed as the chairman of the operations committee of the board of the combined company, and, in such capacity, will have the opportunity to help the combined company achieve anticipated synergies and manage integration;
- (5) that the chairman of the compensation committee of the Cypress board will be a current Spansion director;
- (6) that the chairman of the nominating and governance committee of the Cypress board will be a current Spansion director;
- (7) that the chairman of the audit committee of the Cypress board will be a current Cypress director; and
- (8) the continuity provided to the combined company provided by members of senior management of Spansion;

the perceived similarity in corporate cultures, which would facilitate integration and implementation of the merger;

the ability and likelihood of Spansion and Cypress to complete the merger, including their ability to obtain necessary regulatory approvals and the obligations to attempt to obtain those approvals, and measures taken by Spansion and Cypress to provide reasonable assurance to each other that the merger will occur, including the provisions of the merger agreement that require Spansion or Cypress to compensate the other in some circumstances if the merger does not occur;

the fact that the merger is not subject to any financing condition;

the expectation that the transaction will be treated as a tax-free reorganization to Spansion and Cypress and their respective stockholders for U.S. federal income tax purposes;

the fact that the Cypress common stock that Spansion stockholders will receive pursuant to the merger will be registered and freely tradable following the merger;

its review and discussions with Spansion management concerning the due diligence examination of Cypress business, operations, financial condition and prospects;

the oral opinion of Morgan Stanley, subsequently confirmed in writing, rendered to the Spansion board that, as of December 1, 2014 and based upon and subject to the various assumptions, procedures, matters, qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of shares of Spansion common stock other than the holders of excluded shares (see the section entitled *Opinion of Spansion's Financial Advisor* beginning on page 67 of this joint proxy statement/prospectus);

the terms and conditions of the merger agreement and the course of negotiations of the merger agreement, including, among other things, the ability of the Spansion board, if there is a superior offer or other specified intervening event, to withdraw or modify its recommendation to Spansion stockholders concerning the transactions contemplated by the merger agreement, as described under *The Merger Agreement Obligations of each of the Cypress and Spansion Boards with Respect to its Recommendation and Holding a Meeting of its Stockholders* beginning on page 98 of this joint proxy statement/prospectus; and

other terms of the merger agreement, including the mutual representations, warranties and covenants, and the conditions to each party's obligations to complete the merger.

Table of Contents

The Spansion board also weighed the factors described above against certain factors and potential risks associated with entering into the merger agreement, including, among others, the following:

the difficulty inherent in integrating the businesses, assets and workforces of two large companies and the risk that the anticipated synergies and other benefits expected from the merger might not be fully realized;

the possibility of customer, supplier, management and employee disruption associated with the merger and integrating the operations of the companies;

the risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;

the risk that the cultures of the two companies may not be as compatible as anticipated;

the fact that the exchange ratio is fixed, indicating that Spansion stockholders could be adversely affected by a decrease in the trading price of Cypress common stock during the pendency of the merger and the fact that the merger agreement does not provide Spansion with a price-based termination right or other similar protection;

the restrictions on the conduct of Spansion's and Cypress' businesses prior to the completion of the proposed merger, which may delay or prevent Spansion or Cypress from undertaking business opportunities that may arise or other actions either of them would otherwise take or refrain from taking with respect to the operations of Spansion and Cypress pending completion of the proposed merger which could be beneficial to the longer term prospects of Spansion as a stand-alone entity or of the combined entity following the merger;

the fact that the merger restricts Spansion from soliciting alternative business combination transactions and limits its ability to provide confidential due diligence information to, or engage in discussions with, a third party interested in pursuing an alternative business combination transaction (see the section entitled *The Merger Agreement: Cypress and Spansion are Required to Terminate Any Existing Discussions with Third Parties and are Prohibited from Soliciting Other Offers* beginning on page 96 of this joint proxy statement/prospectus);

the fact that the termination fee to be paid to Cypress under the circumstances specified in the merger agreement may discourage other parties that might otherwise have an interest in a business combination with, or an acquisition of, Spansion (see the section entitled *The Merger Agreement: Termination; Fees and Expenses* beginning on page 106 of this joint proxy statement/prospectus);

the fact that Spansion must submit the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement to the Spansion stockholders even if the Spansion board changes its recommendation in favor of the merger, and the risk that such requirement may discourage other parties that might otherwise have an interest in a business combination with, or an acquisition of, Spansion (see the section entitled *The Merger Agreement Obligations of each of the Cypress and Spansion Boards with Respect to its Recommendation and Holding a Meeting of its Stockholders*. beginning on page 98 of this joint proxy statement/prospectus);

the ability of the Cypress board, under specified circumstances, to withdraw or modify its recommendation to Cypress stockholders concerning the transactions contemplated by the merger agreement (see the section entitled *The Merger Agreement Obligations of each of the Cypress and Spansion Boards with Respect to its Recommendation and Holding a Meeting of its Stockholders*. beginning on page 97 of this joint proxy statement/prospectus of this joint proxy statement/prospectus);

the fact that Spansion's President and Chief Executive Officer will not be the Chief Executive Officer of the combined company and that the merger agreement does not require that any Spansion officers will serve in similar capacities with the combined company;

the amount of time it could take to complete the merger, including the fact that completion of the merger depends on factors such as regulatory approvals that are outside Spansion's control;

Table of Contents

the risk that either Cypress stockholders may fail to approve the issuance of the shares of Cypress common stock that are issuable in connection with the merger or Spansion stockholders may fail to adopt the merger agreement and approve the transactions contemplated by the merger agreement;

the possibility of significant costs and delays resulting from seeking regulatory approvals necessary to complete the transactions contemplated by the merger agreement, the possibility that the transactions may not be completed if such approvals are not obtained, and the potential negative impacts on Spansion, its business and its stock price if such approvals are not obtained; and

the fact that if the proposed merger is not completed, Spansion will have expended significant human and financial resources on a failed transaction, and may also be required to pay a termination fee in various circumstances, as described under *The Merger Agreement Termination; Fees and Expenses* beginning on page 106; and the risks described in the section entitled *Risk Factors Risk Factors Relating to the Merger* beginning on page 19 of this joint proxy statement/prospectus.

In considering the recommendation of the Spansion board with respect to the proposal to adopt the merger agreement and approve the transactions contemplated by the merger agreement, you should be aware that some of Spansion's directors and executive officers may have interests in the merger that are different from, or in addition to, yours. The Spansion board was aware of and considered these interests, among other matters, in evaluating the merger agreement and the transactions contemplated by the merger agreement, and in recommending that the merger agreement be adopted by Spansion stockholders. See the section entitled *Interests of the Directors and Executive Officers of Spansion in the Merger* beginning on page 78 of this joint proxy statement/prospectus.

The foregoing discussion of the information and factors considered by the Spansion board in reaching its conclusions and recommendations is not intended to be exhaustive, but includes the material factors considered by the Spansion board. In view of the wide variety of factors considered in connection with its evaluation of the merger agreement and the transactions contemplated by the merger agreement, and the complexity of these matters, the Spansion board did not find it practicable to, and did not attempt to, quantify, rank or assign any relative or specific weights to the various factors considered in reaching its determination and making its recommendation. In addition, individual directors may have given different weights to different factors. The Spansion board considered all of the foregoing factors as a whole and based its recommendation on the totality of the information presented.

The foregoing discussion also contains forward-looking statements with respect to future events that may have an effect on Spansion's financial performance or the future financial performance of the combined company. See the sections entitled Cautionary Statement Regarding Forward-Looking Information beginning on page 26 and Risk Factors beginning on page 19 of this joint proxy statement/prospectus.

Opinion of Spansion's Financial Advisor

Spansion retained Morgan Stanley to act as financial advisor to Spansion's board in connection with the proposed merger of Spansion and Cypress. Spansion's board selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in the semiconductor industry, and its knowledge of Spansion's business and affairs. At the meeting of Spansion's board on December 1, 2014, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of such date, and based upon and subject to the various assumptions, procedures, matters, qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of shares of Spansion common stock

(other than the holders of the excluded shares). References to Spansion's common stock in this description of Morgan Stanley's opinion refer to Spansion's Class A common stock.

Table of Contents

The full text of the written opinion of Morgan Stanley, dated as of December 1, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached to this joint proxy statement/prospectus as Annex C. You are encouraged to read the entire opinion carefully and in its entirety. Morgan Stanley's opinion was rendered for the benefit of Spansion's board, in its capacity as such, and addressed only the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement to the holders of shares of Spansion common stock (other than the holders of the excluded shares) as of the date of the opinion. Morgan Stanley's opinion did not address any other aspect of the merger or related transactions, including the prices at which shares of Spansion common stock or Cypress common stock would trade at any time in the future, or any compensation or compensation agreements arising from (or relating to) the merger which benefit any officer, director or employee of Spansion, or any class of such persons. The opinion was addressed to, and rendered for the benefit of, Spansion's board and was not intended to, and does not, constitute advice or a recommendation to any holder of shares of Spansion common stock as to how to vote or act on any matter with respect to the merger or related transactions or any other action with respect to the transactions contemplated by the merger agreement.

In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of Spansion and Cypress, respectively;

reviewed certain internal financial statements and other financial and operating data concerning Spansion and Cypress, respectively;

reviewed certain financial projections prepared by the managements of Spansion and Cypress, respectively;

reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the managements of Spansion and Cypress, respectively;

discussed the past and current operations and financial condition and the prospects of Spansion, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Spansion;

discussed the past and current operations and financial condition and the prospects of Cypress, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Cypress;

reviewed the pro forma impact of the merger on Cypress' earnings per share, cash flow, financial ratios and consolidated capitalization;

reviewed the reported prices and trading activity for Spansion common stock and Cypress common stock;

compared the financial performance of Spansion and Cypress and the prices and trading activity of Spansion common stock and Cypress common stock with that of certain other publicly-traded companies comparable with Spansion and Cypress, respectively, and their securities;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

participated in certain discussions and negotiations among representatives of Spansion and Cypress and their financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

Table of Contents

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied, or otherwise made available to Morgan Stanley by Spansion and Cypress, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Spansion and Cypress of the future financial performance of Spansion and Cypress. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the merger will be treated as a tax-free reorganization, pursuant to the Internal Revenue Code of 1986, as amended. Morgan Stanley assumed that, in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed merger. Morgan Stanley relied upon, without independent verification, the assessment by the managements of Spansion and Cypress, respectively, of: (i) the strategic, financial and other benefits expected to result from the merger; (ii) the timing and risks associated with the integration of Spansion and Cypress, (iii) their ability to retain key employees of Spansion and Cypress, respectively, and (iv) the validity of, and risks associated with, Spansion and Cypress' existing and future technologies, intellectual property, products, services and business models. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Spansion and Cypress and their advisors with respect to legal, tax, or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of Spansion's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of Spansion common stock in the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Spansion or Cypress, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of December 1, 2014. Events occurring after December 1, 2014 may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

Summary of Financial Analyses

The following is a brief summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion dated December 1, 2014. The following summary is not a complete description of Morgan Stanley's opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. In connection with arriving at its opinion, Morgan Stanley considered all of its analyses as a whole and did not attribute any particular weight to any analysis described below. Considering any portion of such analyses and factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's opinion. The various analyses summarized below were based on the closing price of \$23.37 per share of Spansion common stock and of \$10.60 per share of Cypress common stock as of November 28, 2014, the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Furthermore, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using the data referred to below.

In performing the financial analyses summarized below and in arriving at its opinion, Morgan Stanley utilized and relied upon certain financial projections provided by Spansion and Cypress managements and

-69-

Table of Contents

referred to below, including the management cases, which are described below. For further information regarding the financial projections, see the section entitled *Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor* beginning on page 75 of this joint proxy statement/prospectus.

On December 1, 2014, Spansion and Cypress entered into the merger agreement pursuant to which each share of Spansion common stock (other than the excluded shares) would be exchanged for 2.457 shares of Cypress common stock. Based on the closing price of Cypress common stock on November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), this exchange ratio represented an implied price of \$26.04 per share of Spansion common stock. Based on the exchange ratio and shares, restricted stock units, options and net share settlement of the Spansion exchangeable 2.00% senior notes outstanding on November 30, 2014, Morgan Stanley calculated that, as a result of the merger, Spansion's stockholders would own approximately 50.2% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method), and the net share settlement of the Spansion exchangeable 2.00% senior notes, and Cypress' shareholders would own the remaining approximately 49.8% of Cypress following completion of the merger pursuant to the merger agreement.

Historical Exchange Ratio Analysis

Morgan Stanley reviewed the range of the ratio of closing prices of Spansion common stock divided by the corresponding closing prices of Cypress common stock over various periods ended on November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby). For each of the periods reviewed, Morgan Stanley observed the relevant range of low and high exchange ratios.

| Period Ending November 28, 2014 | Range of Exchange Ratios | | Implied Spansion Ownership | |
|--|---------------------------------|-------|-----------------------------------|-------|
| Last Three Years | 0.45x | 2.31x | 14.4% | 48.4% |
| Last 12 Months | 1.25x | 2.31x | 32.3% | 48.4% |
| Last 30 Days | 1.74x | 2.20x | 40.2% | 47.1% |

Morgan Stanley noted that the exchange ratio pursuant to the merger agreement was 2.457x, which implied Spansion stockholders ownership of approximately 50.2% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes outstanding and that based on the prices of shares of Spansion common stock and Cypress common stock on November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), an exchange ratio implied solely by such closing stock prices as of that date would be 2.20x, which would imply Spansion stockholders ownership of approximately 47.1% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes outstanding.

Equity Research Analysts' Future Price Targets' Implied Exchange Ratio Analysis

Morgan Stanley reviewed and analyzed future public market trading price targets for Spansion common stock and Cypress common stock prepared and published by equity research analysts prior to November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby). These forward targets reflected each analyst's estimate of the future public market trading price of Spansion common stock and Cypress common stock and were not discounted to reflect present values. Morgan Stanley compared

-70-

Table of Contents

the maximum and minimum price targets for both Spansion and Cypress to construct the exchange ratio range for its financial analysis.

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for Spansion common stock or Cypress common stock, and these estimates are subject to uncertainties, including the future financial performance of Spansion and Cypress, and future financial market conditions.

Spansion Equity Research Analysts Future Price Targets

The range of undiscounted analyst price targets for Spansion common stock was \$19.50 to \$26.00 per share as of November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), and Morgan Stanley noted that the median undiscounted analyst price target was \$24.00 per share.

Cypress Equity Research Analysts Future Price Targets

The range of undiscounted analyst price targets for Cypress common stock was \$8.00 to \$13.00 per share as of November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), and Morgan Stanley noted that the median undiscounted analyst price target was \$10.00 per share.

Implied Exchange Ratio based on Equity Research Analysts Future Price Targets

| Research Estimates | Range of Exchange Ratios | | Implied Spansion Ownership | |
|---------------------------|---|-------|---|-------|
| As of November 28, 2014 | 1.50x | 3.25x | 36.5% | 58.0% |

Relative Contribution Analysis

Morgan Stanley compared Spansion and Cypress stockholders' respective percentage ownership of the combined company to Spansion's and Cypress' respective percentage contribution (and the implied ownership and the implied exchange ratio based on such contribution) to the combined company using estimated calendar year 2014 through calendar year 2017 earnings before interest taxes depreciation and amortization (which we refer to as EBITDA), EBITDA less capital expenditures (which we refer to as Capex), earnings before interest and taxes (which we refer to as EBIT) and non-GAAP net income based on estimates prepared by the managements of Spansion and Cypress, respectively, which we refer to as the management cases and as more fully described under the section entitled *Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor* beginning on page 75 of this joint proxy statement/prospectus. The following table summarizes Morgan Stanley's analysis:

Management Cases

| Calendar Years 2014E | 2017E | Range of Implied Exchange | Implied Spansion |
|-----------------------------|--------------|--------------------------------------|-----------------------------|
|-----------------------------|--------------|--------------------------------------|-----------------------------|

| | Ratios | | Ownership | |
|--------------|---------------|-------|------------------|-------|
| EBITDA | 2.46x | 2.79x | 50.2% | 53.8% |
| EBITDA Capex | 1.88x | 2.69x | 42.4% | 52.8% |
| EBIT | 2.31x | 2.64x | 48.5% | 52.2% |
| Net Income | 1.87x | 2.30x | 42.3% | 48.4% |

Morgan Stanley noted that the exchange ratio pursuant to the merger agreement was 2.457x, which implied Spansion stockholders ownership of approximately 50.2% of the fully diluted shares of Cypress common stock based on each of Cypress and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes and that based on the prices of shares of Spansion common stock and Cypress common stock on November 28, 2014 (the last full trading day

Table of Contents

prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), an exchange ratio implied solely by such closing stock prices as of that date would be 2.20x, which would imply Spansion stockholders ownership of approximately 47.1% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes.

Analysis of Precedent Transactions

Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms and premiums applicable to selected transactions that share some characteristics with this merger.

In connection with its analysis, Morgan Stanley compared publicly available statistics for 43 selected merger of equals transactions with transaction values greater than \$500 million from January 1, 2003 to November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), in which the consideration received was predominantly stock and the target's representation on the board of the merged entity was equal to 50% or more. The following is a list of these transactions:

Abitibi Inc. / Bowater Inc.

Alliance Unichem plc / Boots UK Ltd

Arcelor S.A. / Mittal Steel Co, N.V.

Autostrade SpA / Abertis Infraestructuras S.A.

Avoca Resources Ltd. / Anatolia Minerals Development Ltd.

Bank One Corp. / JPMorgan & Co. Inc.

Bergen Brunswig Corp. / Amerisource Corp.

Biogen Inc. / IDEC Corp.

bwin Interactive Entertainment AG / PartyGaming plc

Cable Design Technologies Corp. / Belden Inc.

Caremark Rx, LLC / CVS Health Corp.

Carphone Warehouse plc / Dixons Retail plc

ECCO S.A. / Adecco S.A.

Euronext N.V. / NYSE Group, Inc.

FNX Mining Company, Inc. / Quadra Mining Ltd.

Frontier Oil Corp. / Holly Corp

Gemplus International S.A. / Axalto International Ltd.

Global Marine Systems Ltd. / Santa Fe International Corp.

GulfTerra Energy Partners, LP / Enterprise Products Partners LP

Hanover Compressor Co. / Universal Compression Holdings, Inc.

IBERIA LAE S.A. / British Airways plc

Intentia, Inc. / Lawson Software, Inc.

Lucent Technologies, Inc. / Alcatel S.A.

Table of Contents

Meiji Seika Kaisha Co., Ltd / Meiji Dairies Co., Ltd.

Metavante Technologies, Inc. / Fidelity National Information Services, Inc.

MindSpring Enterprises / EarthLink Holdings Corp.

Mirant Corp. / RRI Energy, Inc.

Molson Inc. / Coors Brewing Co.

Nextel Communications, Inc. / Sprint Corp.

OfficeMax Inc. / Office Depot, Inc.

Omnicom Group Inc. / Publicis Groupe S.A.

ProLogis, Inc. / AMB Property Corp.

Subsea 7 S.A. / Acergy S.A.

The Travelers Companies, Inc. / The St. Paul Companies, Inc.

Ticketmaster Entertainment, LLC / Live Nation Entertainment, Inc.

Tokyo Electron, Ltd / Applied Materials, Inc.

TransAtlantic Holdings Inc. / Allied World Assurance Company Holdings AG

TriQuint Semiconductor, Inc. / RF Micro Devices Inc.

Union Planters Corp. / Regions Financial Corp.

UniTAB Ltd. / Tattersalls Ltd.

UrAsia Energy Ltd. / sxr Uranium Inc.

Varco, Inc. / National Oilwell Inc.

XM Satellite Radio Holdings Inc. / Sirius Radio Inc.

For each transaction listed above, Morgan Stanley noted the board representation and senior executive management roles attributed to the smaller company (as measured by market capitalization) involved in the transaction, as provided for in the transaction's definitive documentation. Morgan Stanley also noted the implied exchange ratio premium to the spot exchange ratio and the 30 trading day average exchange ratio, respectively, for the constituent companies, where available.

For the transactions listed above, Morgan Stanley selected a representative range of implied exchange ratio premiums to the spot and 30 trading day average exchange ratios and compared such representative ranges to the average exchange ratio of Spansion common stock and Cypress common stock over the respective periods ended November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby). The following table summarizes Morgan Stanley's analysis:

| Period Ending November 28, 2014 | Reference Range | | Range of Exchange Ratios | | Implied Spansion Ownership | |
|---|------------------------|-----|---------------------------------|-------|-----------------------------------|-------|
| Spot Exchange Ratio Premium | (5%) | 25% | 2.09x | 2.76x | 45.6% | 53.4% |
| 30 Trading Day Average Exchange Ratio Premium | 0% | 20% | 1.99x | 2.39x | 44.1% | 49.4% |

Morgan Stanley noted that the exchange ratio pursuant to the merger agreement was 2.457x, which implied Spansion stockholders ownership of approximately 50.2% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury

method) and net share settlement of the Spansion exchangeable 2.00% senior notes, and that based on the prices

Table of Contents

of shares of Spansion common stock and Cypress common stock on November 28, 2014 (the last full trading day prior to the meeting of Spansion's board to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby), an exchange ratio implied solely by such closing stock prices as of that date would be 2.20x, which would imply Spansion stockholders ownership of approximately 47.1% of the fully diluted shares of Cypress common stock based on each of Cypress' and Spansion's fully diluted shares including equity awards (using the treasury method) and net share settlement of the Spansion exchangeable 2.00% senior notes.

No company or transaction utilized in the precedent transactions analysis is identical to Spansion, Cypress or the merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, regulatory, economic, market and financial conditions and other matters, which are beyond the control of Spansion and Cypress, such as the impact of competition on the business of Spansion, Cypress or the industry generally, industry growth and the absence of any material adverse change in the financial condition of Spansion, Cypress or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value and equity value of the transactions to which they were being compared.

Pro Forma Merger Analysis

Morgan Stanley analyzed the estimated pro forma impact of the merger on Spansion's cash flow, financial ratios, consolidated capitalization and earnings per share for the fiscal years ending December 31, 2015 and December 31, 2016, excluding the impact of one-time and non-cash acquisition-related expenses. Morgan Stanley calculated the pro forma earnings per share on the basis of an assumed closing date for the merger of December 31, 2014, the transaction exchange ratio provided for in the merger agreement, Spansion management and Cypress management estimates of earnings per share for Spansion and Cypress as of November 28, 2014 and synergies resulting from the merger estimated by Spansion and Cypress. Morgan Stanley noted that on the basis of these assumptions the transaction would be accretive to Spansion's earnings per share for fiscal years 2015 and 2016. For further information regarding these financial projections and estimated synergies, see the section entitled *Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor* beginning on page 75 of this joint proxy statement/prospectus.

General

In connection with the review of the merger by Spansion's board, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of Spansion or Cypress. In performing its analyses, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, regulatory, economic, market and financial conditions and other matters, which are beyond the control of Spansion or Cypress. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement to the holders of shares of Spansion common stock (other than the holders of the excluded shares) and in connection with the delivery of its opinion, dated December 1, 2014, to Spansion's board. These analyses do not purport to be appraisals or to reflect the prices at which shares of Spansion common stock or Cypress common stock might actually trade.

Table of Contents

The exchange ratio was determined by Spansion and Cypress through arm's length negotiations between Spansion and Cypress and was approved by Spansion's board. Morgan Stanley provided advice to Spansion's board during these negotiations. Morgan Stanley did not, however, recommend any specific exchange ratio to Spansion or Spansion's board or that any specific exchange ratio constituted the only appropriate exchange ratio for the merger.

Morgan Stanley's opinion and its presentation to Spansion's board was one of many factors taken into consideration by Spansion's board in deciding to approve and adopt the merger agreement, declare the advisability of the merger agreement and approve the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the opinion of Spansion's board with respect to the exchange ratio pursuant to the merger agreement or of whether Spansion's board would have been willing to agree to a different exchange ratio. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley's customary practice.

Morgan Stanley's opinion was not intended to, and does not, constitute advice or a recommendation to any holder of shares of Spansion common stock as to how to vote or act on any matter with respect to the merger or related transactions or any other action with respect to the transactions contemplated by the merger agreement. Morgan Stanley's opinion did not address any other aspect of the merger or related transactions, including the prices at which shares of Spansion common stock or Cypress common stock would trade at any time in the future, or any compensation or compensation agreements arising from (or relating to) the merger which benefit any officer, director or employee of Spansion, or any class of such persons.

Spansion's board retained Morgan Stanley based upon Morgan Stanley's qualifications, experience and expertise. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or for the accounts of their customers, in debt or equity securities or loans of Spansion and Cypress or any other company, or any currency or commodity, that may be involved in the transactions contemplated by the merger agreement, or any related derivative instrument.

Under the terms of its engagement letter, Morgan Stanley provided Spansion with financial advisory services and a financial opinion in connection with the merger, described in this section and attached to this statement as Annex C, and Spansion has agreed to pay Morgan Stanley a fee of approximately \$19.4 million for its services, \$18.4 million of which is contingent upon the closing of the merger and \$1 million of which was paid upon the delivery by Morgan Stanley of the financial opinion described in this paragraph. Spansion has also agreed to reimburse Morgan Stanley for its reasonable expenses, including reasonable fees of outside counsel and other professional advisors, incurred in connection with its engagement. In addition, Spansion has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each other person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses relating to or arising out of Morgan Stanley's engagement. In the two years prior to the date of its opinion, Morgan Stanley and its affiliates have provided financing services to Spansion and Cypress and have received aggregate fees of approximately \$2.8 million from Spansion and approximately \$1.3 million from Cypress in connection with such services. Morgan Stanley may seek to provide financial advisory and financing services to Spansion and Cypress in the future and would expect to receive fees for the rendering of these services.

Certain Prospective Financial Information Reviewed by the Spansion Board and Spansion's Financial Advisor

Although Spansion has publicly issued limited projections concerning certain aspects of its expected financial performance, Spansion does not make public disclosure of detailed forecasts or projections of its

-75-

Table of Contents

expected financial performance for extended periods because of, among other things, the inherent difficulty of accurately predicting financial performance for future periods and the likelihood that the underlying assumptions and estimates may prove incorrect.

In connection with the evaluation of the merger, however, Spansion management prepared the below table entitled *Spansion Financials* including unaudited prospective financial information for Spansion on a stand-alone basis, without giving effect to the merger, and prepared estimated synergies arising in connection with the merger. The Spansion board also reviewed the below table prepared by Cypress management entitled *Cypress Financials*, including unaudited prospective financial information for Cypress on a stand-alone basis, without giving effect to the merger. Spansion is electing to provide the summary unaudited prospective financial information and the estimated synergies in this section of the joint proxy statement/prospectus to provide Spansion and Cypress stockholders access to certain non-public unaudited prospective financial information and estimated synergies that were made available to the Spansion board, and to the Cypress board of directors as described under the section entitled *Certain Prospective Financial Information Reviewed by the Cypress Board and Cypress Financial Advisor* beginning on page 58 of this joint proxy statement/prospectus, for purposes of considering and evaluating the merger.

The unaudited prospective financial information and estimated synergies were also provided to the financial advisor of Spansion. See also the section entitled *Opinion of Spansion's Financial Advisor* beginning on page 67 of this joint proxy statement/prospectus. The unaudited prospective financial information and estimated synergies were not prepared with a view toward public disclosure and the inclusion of summary unaudited prospective financial information and estimated synergies below should not be regarded as an indication that any of Spansion, Cypress or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. None of Spansion, Cypress, or their respective affiliates or representatives assume any responsibility to stockholders of Spansion or Cypress for the accuracy of this information.

The unaudited prospective financial information and estimated synergies summarized below were not prepared for purposes of public disclosure, nor were they prepared on a basis designed to comply with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of projections. Neither Spansion's independent registered public accounting firm, which is listed as an expert in the section entitled *Experts* on page 137 of this joint proxy statement/prospectus, nor any other independent accountants, compiled, examined or performed any procedures with respect to the projections or estimated synergies summarized below, and has not expressed any opinion or any other form of assurance on this information or its achievability, and assumes no responsibility for, and disclaims any association with, the unaudited prospective financial information and estimated synergies. The reports of the independent registered public accounting firms incorporated by reference in this joint proxy statement/prospectus relate to historical financial statements. They do not extend to any prospective financial information or the estimated synergies and should not be seen to do so.

Although presented with numerical specificity, the unaudited prospective financial information and estimated synergies were prepared in accordance with variables, estimates, and assumptions that are inherently uncertain and may be beyond the control of Spansion, and which may prove not to have been, or to no longer be, accurate. While in the view of Spansion's management the unaudited prospective financial information and estimated synergies were prepared on a reasonable basis, the unaudited prospective financial information and estimated synergies are subject to many risks and uncertainties. Important factors that may affect actual results and cause actual results to differ materially from the unaudited prospective financial information and estimated synergies include risks and uncertainties relating to Spansion's and Cypress' businesses, industry performance, the regulatory environment, general business and economic conditions, market and financial conditions, various risks set forth in Spansion's and Cypress reports filed with the Securities and Exchange Commission, and other factors described or referenced in the sections

entitled *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Information* beginning on pages 19 and 26, respectively, of this joint proxy statement/prospectus

Table of Contents

The unaudited prospective financial information and estimated synergies also reflect assumptions that are subject to change and are susceptible to multiple interpretations and to conditions, transactions or events that may occur and were not anticipated at the time the unaudited prospective financial information and estimated synergies were prepared. In addition, the unaudited prospective financial information and estimated synergies do not take into account any circumstances, transactions or events occurring after the date the unaudited prospective financial information and estimated synergies were prepared. Accordingly, actual results will likely differ, and may differ materially, from those contained in the unaudited prospective financial information and estimated synergies. We do not assure you that the financial results in the unaudited prospective financial information or the synergies set forth in the estimated synergies will be realized or that future financial results (including synergies) of Spansion or Cypress will not materially vary from those in the unaudited prospective financial information or the estimated synergies.

None of Spansion, Cypress, or their respective affiliates, officers, directors, or other representatives gives any stockholder of Spansion or Cypress, or any other person, any assurance that actual results will not differ materially from the unaudited prospective financial information or the estimated synergies, and, except as otherwise required by law, none of them undertakes any obligation to update or otherwise revise or reconcile the unaudited prospective financial information or the estimated synergies to reflect circumstances after the date the unaudited prospective financial information and estimated synergies were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions and estimates underlying the unaudited prospective financial information and estimated synergies are shown to be in error.

No one has made or makes any representation to any stockholder of Spansion or Cypress, or anyone else regarding, nor assumes any responsibility for the validity, reasonableness, accuracy, or completeness of, the unaudited prospective financial information or the estimated synergies set forth below. You are cautioned not to rely on the unaudited prospective financial information or the estimated synergies. The inclusion of this information should not be regarded as an indication that the Spansion board of directors, the Cypress board of directors, any of their advisors or any other person considered, or now considers, it to be material or to be a reliable prediction of actual future results.

The unaudited prospective financial information and estimated synergies included below cover multiple years, and this information by its nature becomes subject to greater uncertainty with each successive year. The unaudited prospective financial information and estimated synergies should be evaluated, if at all, in conjunction with the historical financial statements and other information contained in Spansion's and Cypress' respective public filings with the Securities and Exchange Commission.

Due to the forward-looking nature of the selected unaudited prospective financial information, specific quantifications of the amounts that would be required to reconcile it to GAAP measures are not available. Spansion believes that there is a degree of volatility with respect to certain GAAP measures, and certain adjustments made to arrive at the relevant non-GAAP measures, which preclude Spansion from providing accurate forecasted non-GAAP to GAAP reconciliations.

Table of Contents

The following tables present summary selected unaudited Spansion and Cypress prospective financial information for fiscal years 2014 through 2017 prepared by Spansion and Cypress management respectively in connection with the Spansion board of directors' evaluation of the merger (in millions, except per share information):

| Projected Spansion Financials | CY2014E | CY2015E | CY2016E | CY2017E |
|---|----------------|----------------|----------------|----------------|
| Revenue | \$ 1,250.0 | \$ 1,363.1 | \$ 1,450.0 | \$ 1,550.0 |
| Non-GAAP EBIT | \$ 92.8 | \$ 149.2 | \$ 180.0 | \$ 218.0 |
| Non-GAAP EBITDA | \$ 151.4 | \$ 205.4 | \$ 235.9 | \$ 274.9 |
| Non-GAAP EBITDA, less Capital Expenditures | \$ 86.4 | \$ 150.4 | \$ 175.9 | \$ 209.9 |
| Non-GAAP Net Income | \$ 64.8 | \$ 115.2 | \$ 143.5 | \$ 178.2 |
| Non-GAAP EPS | \$ 0.98 | \$ 1.72 | \$ 2.08 | \$ 2.51 |

| Projected Cypress Financials | CY2014E | CY2015E | CY2016E | CY2017E |
|---|----------------|----------------|----------------|----------------|
| Revenue | \$ 723.9 | \$ 815.5 | \$ 954.9 | \$ 1,067.3 |
| Non-GAAP EBIT | \$ 98.5 | \$ 138.0 | \$ 190.5 | \$ 231.7 |
| Non-GAAP EBITDA | \$ 138.5 | \$ 179.0 | \$ 232.5 | \$ 273.7 |
| Non-GAAP EBITDA, less Capital Expenditures | \$ 115.3 | \$ 136.0 | \$ 204.5 | \$ 250.7 |
| Non-GAAP Net Income | \$ 88.3 | \$ 123.0 | \$ 170.3 | \$ 207.6 |
| Non-GAAP EPS | \$ 0.53 | \$ 0.71 | \$ 0.95 | \$ 1.13 |

Non-GAAP EBIT excludes the estimated effects of: amortization of intangibles, amortization of the inventory mark-up relating to Spansion's acquisition of its microcontroller and analog business in fiscal year 2013, equity compensation expense, acquisition related costs, litigation reserve expenses and restructuring and other costs. Non-GAAP Net Income and Non-GAAP EPS exclude the estimated effects of: amortization of intangibles, amortization of the inventory mark-up relating to Spansion's acquisition of its microcontroller and analog business in fiscal year 2013, equity compensation expense, costs related to financing arrangements, the accretion of interest on Spansion's exchangeable 2.00% senior notes outstanding on November 30, 2014, litigation reserve expenses, acquisition and integration related costs, reserve reversal on final settlement of bankruptcy claims and restructuring and other costs; and Non-GAAP EBITDA excludes the estimated effects of these items as well as interest income expense and other, net, provision for income taxes and depreciation.

In calculating estimated synergies, Spansion management made assumptions with respect to expenses including manufacturing, sales and marketing, product development, personnel, facilities, information technology infrastructure and administration. Assumptions include a reduction in redundant expenses, a reduction of duplicative operating resources, future headcount avoidance and severance costs to achieve synergies. The following table presents estimated synergies, excluding some amounts related to the pro forma tax structure of the combined business, prepared in connection with Spansion's evaluation of the merger (in millions) for the years 2015 through 2017.

| | 2015 | 2016 | 2017 |
|----------------------------|-------------|-------------|-------------|
| Estimated Synergies | \$53.1 | \$130.6 | \$168.9 |

Interests of the Directors and Executive Officers of Spansion in the Merger

In considering the recommendation of the Spansion board to adopt the merger agreement and approve the transactions contemplated by the merger agreement, Spansion stockholders should be aware that some of the Spansion directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Spansion stockholders generally. These interests and arrangements may create potential conflicts of interest. The Spansion board was aware of these potential conflicts of interest and considered them, among other matters, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement.

-78-

Table of Contents***Stock Options, Restricted Stock Units and Performance Stock Units***

When the merger is completed, Cypress will assume outstanding options to purchase shares of Spansion common stock, and such options will be automatically converted into options to purchase the number of shares of Cypress common stock equal to (x) the number of shares of Spansion common stock subject to the Spansion option immediately prior to the merger, *multiplied by* (y) 2.457, with such product rounded down to the nearest whole share of Cypress common stock. The exercise price per share for each assumed Spansion option will be equal to (x) the exercise price per share of the Spansion option *divided by* (y) 2.457, with such quotient rounded up to the nearest whole cent. Each assumed Spansion option otherwise will be subject to the same terms and conditions (including as to vesting and exercisability) as are applicable under the respective Spansion option immediately prior to the effective time of the merger. However, if a Spansion option is subject to the legal requirements of a non-U.S. jurisdiction and Cypress determines that the Spansion option may not be assumed under the legal requirements of the relevant non-U.S. jurisdiction, Cypress will, to ensure compliance with applicable non-U.S. law: (1) require that such outstanding unassumed non-U.S. Spansion options be accelerated and exercised only by a cashless exercise pursuant to which employees will authorize a broker to sell all shares that they are entitled to exercise immediately upon exercise and receive the difference between the fair market value of the shares at exercise and the exercise price in cash, (2) provide for conversion of the unassumed non-U.S. Spansion options into the right to receive, as soon as practicable after the effective time of the merger, an amount in cash equal to (x) the excess, if any, of (i) the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the closing date of the merger, *over* (ii) the applicable exercise price of such unassumed non-U.S. Spansion option, *multiplied by* (y) the number of Spansion shares subject to such unassumed non-U.S. Spansion option, less all applicable deductions and withholdings required by applicable legal requirements to be withheld in respect of such payment, or (3) provide for such other treatment that is in compliance with applicable legal requirements and reasonably agreed upon by Cypress and Spansion at least 20 days prior to the effective time of the merger.

Cypress will also assume outstanding Spansion restricted stock units and performance stock units. Each assumed Spansion restricted stock unit award or performance stock unit award will be converted into an award to receive a number of shares of Cypress common stock equal to (x) the number of shares of Spansion common stock subject to the Spansion restricted stock unit award or performance stock unit award immediately prior to the effective time of the merger *multiplied by* (y) 2.457, with such product rounded down to the nearest whole share of Cypress common stock. Each assumed Spansion restricted stock unit award or performance stock unit award that was granted with a purchase price other than Spansion par value will have a purchase price per share equal to (x) the per share purchase price of Spansion common stock subject to such assumed Spansion restricted stock unit award or Spansion performance stock unit award, *divided by* (y) 2.457, with such quotient rounded up to the nearest whole cent. Each assumed Spansion restricted stock unit award or performance stock unit award otherwise will be subject to the same terms and conditions (including as to vesting and exercisability) as were applicable under the respective Spansion restricted stock unit award or performance stock unit award immediately prior to the effective time of the merger. However, if a Spansion restricted stock unit award or performance stock unit award is subject to the legal requirements of a non-U.S. jurisdiction and Cypress determines that the Spansion restricted stock unit award or performance stock unit award may not be assumed under the legal requirements of the relevant non-U.S. jurisdiction, Cypress will, to ensure compliance with applicable non-U.S. law: (1) provide for conversion of such unassumed non-U.S. Spansion restricted stock unit award or performance stock unit award into the right to receive, as soon as practicable after the effective time of the merger, an amount in cash equal to (x) the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the closing date of the merger, *multiplied by* (y) the number of Spansion shares subject to such unassumed non-U.S. Spansion restricted stock unit award or performance stock unit award, less all applicable deductions and withholdings required by applicable legal requirements to be withheld in respect of such

payment or (2) provide for such other treatment that is in compliance with applicable law and reasonably agreed upon by Cypress and Spansion at least 20 days prior to the effective time of the merger.

-79-

Table of Contents

Prior to May 2014 and in limited circumstances during or after May 2014, the Spansion board had historically granted all options, restricted stock units and performance stock units with full acceleration rights in the event of a change in control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan. A change in control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan, includes a transaction whereby any person or group of persons directly or indirectly acquires beneficial ownership of securities of Spansion possessing more than 50% of the total combined voting power of Spansion's securities outstanding immediately after such transaction, as well as a merger in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least a majority of the combined voting power of the entity that will control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change in control for purposes of the Spansion 2010 Equity Incentive Award Plan. In addition, the merger agreement provides that Cypress and Spansion agree the merger will constitute a change in control for the purposes of outstanding Spansion equity awards. Accordingly, the unvested options and restricted stock units that were granted with an acceleration feature triggered upon a change in control will accelerate vesting at the effective time of the merger, subject to the award holder's continued service through the effective time of the merger.

The Spansion directors and executive officers hold unvested options, restricted stock units and performance stock units that were granted prior to May 2014 and subject to the acceleration provisions described above. As required by applicable Securities and Exchange Commission rules, all amounts below determined using the per share value of Spansion common stock have been calculated based on a per share price of Spansion common stock of \$29.116 (the average closing market price of Spansion common stock over the first five business days following the public announcement of the entry into the merger agreement on December 1, 2014). The following number of shares subject to options and restricted stock units granted to the following Spansion directors and executive officers will accelerate vesting upon the closing of the merger, subject to the award holder's continued service through such date:

| Executive Officer and/or Director | Shares | Aggregate | Shares | Aggregate |
|-----------------------------------|----------------|---------------|------------------|------------------|
| | Underlying all | Spread for | Underlying All | Value |
| | Unvested | all | Unvested | of All |
| | Spansion Stock | Unvested | Restricted Stock | Unvested |
| | Options | Options (\$) | Units | Restricted |
| | | | | Stock |
| | | | | Units (\$) |
| John H. Kispert | 38,889 | \$ 685,068.62 | 399,167 | \$ 11,622,146.37 |
| Randy Furr | 12,444 | \$ 219,213.50 | 126,334 | \$ 3,678,340.74 |
| William Mitchell | 3,000 | \$ 50,928.00 | 18,291 | \$ 532,560.75 |
| Raymond Bingham | 7,667 | \$ 130,154.99 | 33,245 | \$ 967,961.42 |
| Keith Barnes | 6,334 | \$ 107,525.98 | 22,812 | \$ 664,194.19 |
| Hans Geyer | 3,000 | \$ 50,928.00 | 12,622 | \$ 367,502.15 |
| O.C. Kwon | 0 | \$ 0.00 | 9,112 | \$ 265,304.99 |
| Clifton Thomas Weatherford | 6,334 | \$ 107,525.98 | 22,812 | \$ 664,194.19 |
| Michael Wishart | 8,168 | \$ 137,924.84 | 19,955 | \$ 581,009.78 |

The figures in the table above assume an effective date of the merger of May 31, 2015.

Paul Mercadante and Ajay Shah resigned from Spansion's Board effective May 13, 2013. As a result, neither Mr. Mercadante nor Mr. Shah is eligible to receive vesting acceleration of their awards in connection with the merger.

Other than as described in the following section, Spansion granted no equity awards to its executive officers or directors after May 2014.

Recent Equity Awards

On November 14, 2014, the Spansion compensation committee approved the issuance of certain performance stock units (also referred to as performance based restricted stock units) to employees at the vice

-80-

Table of Contents

president level and above, which included Spansion's executive officers, for retention purposes. In the event that Spansion meets or exceeds its financial performance target level of 100% on the 2014 annual bonus matrix as approved by the Spansion compensation committee and the employee remains a continuous service provider on the applicable vesting date, the performance stock units will vest in incremental percentages equal to 40% on January 30, 2015, 40% on January 30, 2016, and 20% on January 30, 2017. If the service provider is terminated by Spansion without cause and as long as the financial performance target applicable to the performance stock units have been met as of January 2014, that service provider's performance stock units will accelerate in full on the date of such termination by Spansion. If the performance stock units are outstanding as of the effective time of the merger, then they shall be assumed by Cypress and converted into a restricted stock unit award in respect of the number of whole shares of Cypress common stock equal to 2.457 multiplied by the number of shares of Spansion common stock subject to the Spansion restricted stock unit award, with such product rounded down to the nearest whole share of Cypress common stock.

The Spansion compensation committee approved the issuance of the following numbers of performance stock units to the following executive officers on November 14, 2014:

| Executive Officer | Shares Underlying Performance Stock Units Issued on November 14, 2014 | Aggregate Value of All Performance Stock Units Issued on November 14, 2014 (1) (\$) |
|--------------------------|--|--|
| John H. Kispert | 84,375 | \$ 2,456,662.50 |
| Randy Furr | 26,400 | \$ 768,662.40 |

- (1) All dollar amounts in the table above were determined using the per share price of Spansion common stock of \$29.116 (the average closing market price of Spansion common stock over the first five business days following the public announcement of the entry into the merger agreement on December 1, 2014).

In addition, the Spansion board approved the issuance of certain restricted stock units to directors William Mitchell and Mr. Bingham on November 25, 2014 in recognition of their appointments in May 2014 to chair the compensation committee and nomination and corporate governance committee, respectively. The restricted stock units will vest in equal quarterly installments for three years from the grant date, subject to continued service through each applicable vesting date. In addition, in the event of a change in control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan, and provided that the applicable director continues to provide service as a director of Spansion through the date of such change in control, the restricted stock units will accelerate vesting in full. A change in control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan, includes a transaction whereby any person or group of persons directly or indirectly acquires beneficial ownership of securities of Spansion possessing more than 50% of the total combined voting power of Spansion's securities outstanding immediately after such transaction, as well as a merger in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least a majority of the combined voting power of the entity that will control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change in control for purposes of the Spansion 2010 Equity Incentive Award Plan. In addition, the merger agreement provides that Cypress and Spansion agree that the merger will constitute a change in control for the purposes of outstanding Spansion equity awards. Accordingly the unvested restricted stock units that were granted to the Spansion directors on

November 25, 2014 will accelerate at the effective time of the merger.

-81-

Table of Contents

The Spansion board approved the issuance of the following numbers of restricted stock units to the following directors on November 25, 2014:

| Director | Shares Underlying Restricted Stock Units Issued on November 25, 2014 | Aggregate Value of All Restricted Stock Units Issued on November 25, 2014 (1) (\$) |
|------------------|---|---|
| William Mitchell | 6,806 | \$ 198,163.50 |
| Raymond Bingham | 3,403 | \$ 99,081.75 |

- (1) All dollar amounts in the table above were determined using the per share price of Spansion common stock of \$29.116 (the average closing market price of Spansion common stock over the first five business days following the public announcement of the entry into the merger agreement on December 1, 2014).

Change of Control Severance Agreements

Spansion has entered into Change of Control Severance Agreements with certain employees, including its current executive officers, Mr. Kispert and Randy Furr. Under Spansion's Change of Control Severance Agreements for Mr. Kispert and Mr. Furr, if the participating executive officer's employment is terminated involuntarily by Spansion without cause or by the participating executive officer pursuant to a voluntary termination for good reason within 120 days prior to a change of control or 12 months following a change of control, then the executive officer is entitled to:

a lump sum payment in an amount equal to the sum of (1) 24 months of the participating executive officer's base salary immediately prior to the termination and (2) two years of the participating executive officer's target annual cash incentive opportunity;

full acceleration of all unvested outstanding options, restricted stock grants, and other equity and equity equivalents; and

at the election of the participating executive officer, either the payment or reimbursement of the cost of 24 months of premium costs associated with continued health coverage for the participating executive officer and such officer's dependents.

Spansion's Change of Control Severance Agreements require that in order to receive the severance benefits, the participating executive officer must agree to a release of claims in favor of Spansion and its affiliates. Further, under Spansion's Change of Control Severance Agreements, the participating executive officer is subject to a non-solicitation covenant for a period of 12 months following the termination of employment, a mutual nondisparagement covenant with Spansion for a period of 12 months following the termination of employment, and a confidentiality obligation. In the event of any breach of Spansion's Change of Control Severance Agreement, disputes are adjudicated by arbitration and Spansion is responsible for the direct costs and expenses of the arbitration.

A change of control, as such term is defined in Spansion's Change of Control Severance Agreements, includes an acquisition of the voting securities of Spansion by any person immediately after which the person has beneficial ownership of 50% or more of the combined voting power of Spansion's then-outstanding voting securities, as well as a business combination in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least 50% of the combined voting power of the entity that will control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change of control for purposes of Spansion's Change of Control Severance Agreements. In addition, the merger agreement provides that Cypress and Spansion agree the merger will constitute a change of control for purposes of the Change of Control Severance Agreements. Accordingly, if the participating executive officer is subject to a qualifying termination within 120 days prior to such change of control or 12 months following such change of control, then the executive officer will be entitled to the severance benefits described above.

Table of Contents

Cause is defined in Spansion's Change of Control Severance Agreements generally as (i) theft, dishonesty or falsification of any employment or Spansion records that is not trivial in nature; (ii) malicious or reckless disclosure of Spansion's confidential or proprietary information; (iii) commission of any immoral or illegal act or any gross or willful misconduct, where a majority of the disinterested members of the Spansion board reasonably determines that such act or misconduct has (A) seriously undermined the ability of the Spansion board or Spansion's management to entrust the participating executive officer with important matters or otherwise work effectively with the participating executive officer, (B) contributed to Spansion's loss of significant revenues or business opportunities, or (C) significantly and detrimentally effected the business or reputation of Spansion or any of its subsidiaries; and/or (iv) the willful failure or refusal by the participating executive officer to follow the reasonable and lawful directives of the Spansion board, provided such failure or refusal continues after the participating executive officer's receipt of reasonable notice in writing of such failure or refusal and an opportunity of not less than 15 days to correct the problem.

Voluntary termination for good reason is defined in Spansion's Change of Control Severance Agreements generally as (i) a material reduction in the participating executive officer's duties, authority and responsibilities as an executive of the business unit or group that was formerly part of Spansion; provided, however, that with respect to Spansion's Change of Control Severance Agreements of the executive officers, a reduction in the participating executive officer's duties, authority or responsibilities solely by virtue of Spansion being acquired and becoming part of a larger entity shall constitute a reduction, (ii) a material reduction by Spansion in the participating executive officer's base salary or target annual cash incentive opportunity in effect immediately prior to such reduction; (iii) Spansion's material breach of any of its obligations under Spansion's Change of Control Severance Agreement or offer letter agreement between Spansion and the participating executive officer; and (iv) a relocation of the participating executive officer without his or her written consent, to a facility or location 50 miles from Spansion's current headquarters in Sunnyvale, CA.

Assuming that each of Messrs. Kispert and Furr experience an involuntary termination without cause or voluntary termination for good reason immediately prior to the effective time of the merger, then the value of the estimated payments and benefits under these policies for each individual, would be:

| Name | Value of Lump Sum Severance Payment (\$) | Value of Acceleration of Equity Awards (\$)(1) | Value of Payment or Reimbursement of Continued Health Benefits (\$) | Total Value of Severance Payments and Benefits under Change of Control Severance Agreements (\$) |
|-----------------|--|---|---|--|
| John H. Kispert | \$ 4,050,000.00 | \$ 14,763,877.50 | \$ 36,257 | \$ 18,850,134.50 |
| Randy Furr | \$ 1,584,000.00 | \$ 4,666,216.65 | \$ 36,257 | \$ 6,286,473.65 |

- (1) Value of full acceleration of equity awards is in part duplicative of the valuation of acceleration detailed above in the section entitled *Stock Options, Restricted Stock Units and Performance Stock Units* beginning on page 79 of this joint proxy statement/prospectus. The values were determined using the per share price of Spansion common stock of \$29.116 (the average closing market price of Spansion common stock over the first five business days following the public announcement of the entry into the merger agreement on December 1, 2014).

Indemnification of Directors and Officers; Directors and Officers Insurance

The merger agreement provides that Cypress and its subsidiaries will honor and fulfill in all respects the obligations of Spansion and its subsidiaries in any indemnification agreements of Spansion with any of their respective directors, officers or employees in effect immediately prior to the effective time of the merger with respect to acts or omissions prior to the effective time of the merger. The merger agreement also provides that, for a period of six years following the effective time of the merger, Cypress will cause the surviving

Table of Contents

corporation's certificate of incorporation and by-laws to include indemnification provisions at least as favorable as the indemnification provisions of the organizational documents of Spansion.

The merger agreement further requires the combined company to, for a minimum of six years following the effective time of the merger, maintain coverage under an officers' and directors' liability insurance policy with coverage and amounts no less favorable than those Spansion maintained for its directors prior to the merger under the existing Spansion officers' and directors' liability insurance policy. The combined company will not be obligated to make annual premiums in excess of 250% of the most recent annual premiums. If annual premiums for existing coverage exceed such maximum, Cypress will obtain a policy with the greatest coverage available at a cost not exceeding 250% of current premiums. Alternatively, Cypress or Spansion may purchase a six year tail prepaid policy on the existing Spansion officers' and directors' liability insurance policy, with coverage and amounts no less favorable than those currently in effect. The agreements regarding insurance and indemnification are enforceable by the directors and officers of Spansion and are binding on the successors and assigns of Cypress and the surviving corporation.

Board of the Combined Company

Under the terms of the merger agreement, four directors will be designated by Spansion to serve on the board of the combined company after the effective time of the merger, which directors will include Mr. Kispert and Mr. Bingham and two mutually agreed representatives from the Spansion board as of immediately prior to the effective time of the merger. Mr. Bingham will serve as the non-executive chairman of the board of the combined company.

Spansion Executive Compensation Payable in Connection with the Merger

Spansion's named executive officers for purposes of the disclosure in this joint proxy statement/prospectus are Mr. Kispert and Mr. Furr. The following table sets forth the information required by Item 402(t) of Regulation S-K promulgated by the Securities and Exchange Commission, regarding certain compensation that each of Spansion's named executive officers may receive that is based on, or that otherwise relates to, the merger. The figures in the table are estimated based on compensation and benefit levels as anticipated for May 31, 2015 and an assumed effective date of May 31, 2015 for both the merger and the termination of the executive officer's employment. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including an assumption that the employment of each of Spansion's named executive officers will be terminated without cause upon the effective time of the merger. As required by applicable Securities and Exchange Commission rules, all amounts below determined using the per share value of Spansion common stock have been calculated based on a per share price of Spansion common stock of \$29.116 (the average closing market price of Spansion common stock over the first five business days following the public announcement of the entry into the merger agreement on December 1, 2014). As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below. The merger-related compensation payable to Spansion's named executive officers is subject to an advisory (non-binding) vote of Spansion stockholders, as described under the section entitled *Spansion Proposal 2 Advisory Vote to Approve Merger-Related Compensation for Spansion Named Executive Officers* beginning on page 39 of this joint proxy statement/prospectus.

Golden Parachute Compensation

| Executive | Cash (\$)(1) | Equity (\$) | Perquisites / Benefits \$(4) | Total (\$) |
|-----------|--------------|-------------|------------------------------------|------------|
|-----------|--------------|-------------|------------------------------------|------------|

| | | | | |
|-----------------|-----------------|----------------------|-----------|------------------|
| John H. Kispert | \$ 4,050,000.00 | \$ 14,763,877.50 (2) | \$ 36,257 | \$ 18,850,134.50 |
| Randy Furr | \$ 1,584,000.00 | \$ 4,666,216.65 (3) | \$ 36,257 | \$ 6,286,473.65 |

- (1) Pursuant to Spanion's Change of Control Severance Agreements, if the participating executive officer is involuntarily terminated without cause or voluntarily terminates for good reason within 120 days prior to

Table of Contents

- a change of control or 12 months following a change of control, as described in greater detail in the section below entitled *Additional Information Regarding the Golden Parachute Compensation* beginning on page 86 of this joint proxy statement/prospectus, then the executive officer is entitled to a lump sum payment in an amount equal to the sum of (a) 24 months of the participating executive officer's base salary immediately prior to the termination and (b) two years of the participating executive officer's target annual cash incentive opportunity. The amounts determined in this column are estimated based on the participating executive officers salary and target annual cash incentive as of May 31, 2015.
- (2) Mr. Kispert holds 38,889 unvested and outstanding options and 483,542 unvested and outstanding restricted stock units and performance stock units as of May 31, 2015. As a result of a change in control and without any additional condition, Mr. Kispert's awards would accelerate and become fully vested in as to 38,889 unvested and outstanding options (with a value of \$685,068.62), 108,667 unvested and outstanding restricted stock units (with a value of \$3,163,948.37) and 290,500 unvested and outstanding performance stock units (with a value of \$8,458,198.00) as of May 31, 2015. Change in Control is defined in the Spansion 2010 Equity Incentive Award Plan. A change in control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan, includes a transaction whereby any person or group of persons directly or indirectly acquires beneficial ownership of securities of Spansion possessing more than 50% of the total combined voting power of Spansion's securities outstanding immediately after such transaction, as well as a merger in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least a majority of the combined voting power of the entity that will control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change in control for purposes of the Spansion 2010 Equity Incentive Award Plan. Further, the merger agreement provides that Cypress and Spansion agree the merger will constitute a change in control for the purposes of outstanding Spansion equity awards and a change of control for purposes of the Change of Control Severance Agreements. In addition, if Mr. Kispert is involuntarily terminated without cause or voluntarily terminates for good reason within 120 days prior to the change of control or 12 months following a change of control, as described in greater detail in the section below entitled *Additional Information Regarding the Golden Parachute Compensation* beginning on page 86 of this joint proxy statement/prospectus, then Mr. Kispert's awards will accelerate and become fully vested as to an additional 0 unvested and outstanding options (with a value of \$0.00), 0 unvested and outstanding restricted stock units (with a value of \$0.00) and 84,375 unvested and outstanding performance stock units (with a value of \$2,456,662.50) as of May 31, 2015. The merger will constitute a change of control for purposes of the Spansion Change of Control Severance Agreements. The disclosures assume that (a) any performance goals under the performance stock units that will be measured prior to May 31, 2015, are achieved at maximum levels; and (b) the maximum number of shares subject to unvested performance stock units accelerate vesting as a result of the acceleration provisions under the award agreement or Change of Control Severance Agreement, as applicable. However, the extent of achievement of the performance goals that will be measured prior to May 31, 2015, is not yet determinable. Further, the shares under the performance stock units that would be eligible to accelerate pursuant to the applicable award agreements and Change of Control Severance Agreement has not yet been determined.
- (3) Mr. Furr holds 12,444 unvested and outstanding options and 152,734 unvested and outstanding restricted stock units and performance stock units as of May 31, 2015. As a result of a change of control and without any additional condition, Mr. Furr's awards would accelerate and become fully vested as to 12,444 unvested and outstanding options (with a value of \$219,213.50), 34,334 unvested and outstanding restricted stock units (with a value of \$999,668.74) and 92,000 unvested and outstanding performance stock units (with a value of \$2,678,672.00) as of May 31, 2015. Change of Control is defined in the Spansion 2010 Equity Incentive Award Plan. A change of control, as such term is defined in the Spansion 2010 Equity Incentive Award Plan, includes a transaction whereby any person or group of persons directly or indirectly acquires beneficial ownership of securities of Spansion possessing more than 50% of the total combined voting power of Spansion's securities outstanding immediately after such transaction, as well as a merger in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least a majority of the combined voting

power of the entity that will control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change in control for purposes of

-85-

Table of Contents

the Spansion 2010 Equity Incentive Award Plan. Further, the merger agreement provides that Cypress and Spansion agree the merger will constitute a change in control for the purposes of outstanding Spansion equity awards and a change of control for purposes of Spansion's Change of Control Severance Agreements. In addition, if Mr. Furr is involuntarily terminated without cause or voluntarily terminates for good reason within 120 days prior to a change of control or 12 months following a change of control, as described in greater detail in the section below entitled *Additional Information Regarding the Golden Parachute Compensation* beginning on page 86 of this joint proxy statement/prospectus, then Mr. Furr's awards will accelerate and become fully vested in an additional 0 unvested and outstanding options (with a value of \$0.00), 0 unvested and outstanding restricted stock units (with a value of \$0.00) and 26,400 unvested and outstanding performance stock units (with a value of \$768,662.40) as of May 31, 2015. The merger will constitute a change of control for purposes of Spansion's Change of Control Severance Agreements. The disclosures assume that (a) any performance goals under the performance stock units that will be measured prior to May 31, 2015, are achieved at maximum levels; and (b) the maximum number of shares subject to unvested performance stock units accelerate vesting as a result of the acceleration provisions under the award agreement or Change of Control Severance Agreement, as applicable. However, the extent of achievement of the performance goals that will be measured prior to May 31, 2015, is not yet determinable. Further, the number of shares under the performance stock units that would be eligible to accelerate pursuant to the applicable award agreements and Change of Control Severance Agreement has not yet been determined.

- (4) Pursuant to Spansion's Change of Control Severance Agreements, if the participating executive officer is involuntarily terminated without cause or voluntarily terminates for good reason within 120 days prior to a change of control or 12 months following a change of control, as described in greater detail in the section below entitled *Additional Information Regarding the Golden Parachute Compensation*, then the executive officer is entitled to, at the election of the participating executive officer, either the payment or reimbursement of the cost of 24 months of premium costs associated with continued health coverage for the participating executive officer and dependents. The amounts determined in this column are estimated based on the participating executive officers' health coverage benefits and the applicable reimbursement costs as of [].

Additional Information Regarding the Golden Parachute Compensation

Spansion has entered into Spansion's Change of Control Severance Agreements with certain employees, including its current executive officers, Mr. Kispert and Mr. Furr. Under Spansion's Change of Control Severance Agreements for Mr. Kispert and Mr. Furr, if the participating executive officer's employment is terminated involuntarily by Spansion without cause or by the participating executive officer pursuant to a voluntary termination for good reason within 120 days prior to a change of control or 12 months following a change of control, then the executive officer is entitled to the severance benefits disclosed in the *Golden Parachute Compensation* table above.

Spansion's Change of Control Severance Agreements require that in order to receive the severance benefits, the participating executive officer must agree to a release of claims in favor of Spansion and its affiliates. Further, under Spansion's Change of Control Severance Agreements, the participating executive officer is subject to a non-solicitation covenant for a period of 12 months following the termination of employment, a mutual nondisparagement covenant with Spansion for a period of 12 months following the termination of employment, and a confidentiality obligation. In the event of any breach of Spansion's Change of Control Severance Agreement, disputes are adjudicated by arbitration and Spansion is responsible for the direct costs and expenses of the arbitration.

A change of control, as such term is defined in Spansion's Change of Control Severance Agreements, includes an acquisition of the voting securities of Spansion by any person immediately after which the person has beneficial ownership of 50% or more of the combined voting power of Spansion's then-outstanding voting securities, as well as a

business combination in which the holders of the voting securities of Spansion outstanding immediately before the merger fail to hold at least 50% of the combined voting power of the entity that will

-86-

Table of Contents

control Spansion after the merger, which in this case will be Cypress. The merger will constitute a change of control for purposes of Spansion's Change of Control Severance Agreements. In addition, the merger agreement provides that Cypress and Spansion agree the merger will constitute a change of control for purposes of Spansion's Change of Control Severance Agreements. Accordingly, if the participating executive officer is subject to a qualifying termination within 120 days prior to such change of control or 12 months following such change of control, then the executive officer will be entitled to the severance benefits described above.

Cause is defined in Spansion's Change of Control Severance Agreements generally as (i) theft, dishonesty or falsification of any employment or Spansion records that is not trivial in nature; (ii) malicious or reckless disclosure of Spansion's confidential or proprietary information; (iii) commission of any immoral or illegal act or any gross or willful misconduct, where a majority of the disinterested members of the Spansion board reasonably determines that such act or misconduct has (A) seriously undermined the ability of the Spansion board or Spansion's management to entrust the participating executive officer with important matters or otherwise work effectively with the participating executive officer, (B) contributed to Spansion's loss of significant revenues or business opportunities, or (C) significantly and detrimentally effected the business or reputation of Spansion or any of its subsidiaries; and/or (iv) the willful failure or refusal by the participating executive officer to follow the reasonable and lawful directives of the Spansion board, provided such failure or refusal continues after the participating executive officer's receipt of reasonable notice in writing of such failure or refusal and an opportunity of not less than 15 days to correct the problem.

Voluntary termination for good reason is defined in Spansion's Change of Control Severance Agreements generally as (i) a material reduction in the participating executive officer's duties, authority and responsibilities as an executive of the business unit or group that was formerly part of Spansion; provided, however, that with respect to Spansion's Change of Control Severance Agreements of the executive officers, a reduction in the participating executive officer's duties, authority or responsibilities solely by virtue of Spansion being acquired and becoming part of a larger entity shall constitute a reduction, (ii) a material reduction by Spansion in the participating executive officer's base salary or target annual cash incentive opportunity in effect immediately prior to such reduction; (iii) Spansion's material breach of any of its obligations under Spansion's Change of Control Severance Agreement or offer letter agreement between Spansion and the participating executive officer, and (iv) a relocation of the participating executive officer without his or her written consent, to a facility or location 50 miles from Spansion's current headquarters in Sunnyvale, CA.

Table of Contents

THE MERGER AGREEMENT

The following summary describes the material provisions of the merger agreement. The provisions of the merger agreement are complicated and not easily summarized. This summary may not contain all of the information about the merger agreement that is important to you. The merger agreement is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this joint proxy statement/prospectus, and Cypress and Spansion encourage you to read it carefully in its entirety for a more complete understanding of the merger agreement.

The merger agreement has been included to provide you with information regarding its terms. It is not intended to provide any other factual information about Cypress or Spansion. Such information can be found elsewhere in this document and in the public filings that Cypress and Spansion make with the Securities and Exchange Commission, which are available without charge through the Securities and Exchange Commission's website at <http://www.sec.gov>.

The representations and warranties described below and included in the merger agreement were made by each of Cypress and Spansion to the other. These representations and warranties were made as of specific dates and are subject to important exceptions, limitations and supplemental information contained in the confidential disclosure letters provided by each of Cypress and Spansion to the other in connection with the signing of the merger agreement, including a contractual standard of materiality different from that generally applicable under federal securities laws. In addition, the representations and warranties may have been included in the merger agreement for the purpose of allocating risk between Cypress and Spansion rather than to establish matters as facts. The merger agreement is described in this joint proxy statement/prospectus and included as Annex A only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding Cypress, Spansion or their respective businesses. Accordingly, you should not rely on the representations and warranties in the merger agreement as characterizations of the actual state of facts about Cypress or Spansion, and you should read the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus for information regarding Cypress and Spansion and their respective businesses. See the section entitled "Where You Can Find More Information" beginning on page 137 of this joint proxy statement/prospectus.

The Merger

The merger agreement provides for the merger of Mustang Acquisition Corporation, a newly formed, wholly owned subsidiary of Cypress, with and into Spansion. Following the merger, the separate corporate existence of Mustang Acquisition Corporation will cease and Spansion will survive the merger as a wholly owned subsidiary of Cypress.

Closing and Effective Time of the Merger

Cypress and Spansion will complete the merger when all of the conditions to completion of the merger contained in the merger agreement, which are described in the section entitled "Conditions to Obligations to Complete the Merger" beginning on page 103 of this joint proxy statement/prospectus, are satisfied or waived, including, among others, approval by the Cypress stockholders of the issuance of shares of Cypress common stock in the merger and the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement by the Spansion stockholders. The merger will become effective at the time of the filing and acceptance by the Secretary of State of the State of Delaware of the certificate of merger, or such later time as may be agreed in writing by Cypress and Spansion and specified in such certificate of merger.

Table of Contents**Treatment of Securities*****Spansion Common Stock***

Upon completion of the merger, each share of Spansion common stock outstanding immediately prior to the effective time of the merger will be canceled and extinguished and automatically converted into the right to receive 2.457 shares of Cypress common stock, and the cash payable in lieu of any fractional shares as described in the section entitled *Fractional Shares* below. Upon completion of the merger, unless prohibited by local laws of a particular foreign country, Cypress also will assume outstanding options to purchase Spansion common stock, Spansion restricted stock units and Spansion performance stock units. For more information see the section entitled *The Merger Stock Options, Restricted Stock Units and Performance Stock Units* beginning on page 79 of this joint proxy statement/prospectus.

The exchange ratio in the merger (i.e., 2.457 shares of Cypress common stock for each share of Spansion common stock) will be appropriately adjusted to reflect fully the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Cypress common stock or Spansion common stock), reorganization, recapitalization, reclassification or other like change with respect to Cypress common stock or Spansion common stock having a record date on or after the date of the merger agreement and prior to the effective time of the merger.

Each share of Spansion common stock that is owned by Cypress, Merger Sub or Spansion, or by any direct or indirect wholly owned subsidiary of Cypress, Merger Sub or Spansion, in each case immediately prior to the effective time of the merger, will be canceled and extinguished without being converted into Cypress common stock and without any other consideration paid for such shares.

Fractional Shares

Cypress will not issue any fractional shares of Cypress common stock in connection with the merger. Instead, each record holder of Spansion common stock who would otherwise be entitled to receive a fraction of a share of Cypress common stock will receive (after aggregating all fractional shares of Cypress common stock that otherwise would be received by such holder of record) an amount of cash (rounded down to the nearest whole cent), without interest, equal to the amount obtained by multiplying such fraction of a share by the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the closing date of the merger.

Treatment of Spansion Equity Awards

When the merger is completed, Cypress will assume outstanding options to purchase shares of Spansion common stock, and such options will be automatically converted into options to purchase the number of shares of Cypress common stock equal to (x) the number of shares of Spansion common stock subject to the Spansion option immediately prior to the merger, *multiplied by* (y) 2.457, with such product rounded down to the nearest whole share of Cypress common stock. The exercise price per share for each assumed Spansion option will be equal to (x) the exercise price per share of the Spansion option *divided by* (y) 2.457, with such quotient rounded up to the nearest whole cent. Each assumed Spansion option otherwise will be subject to the same terms and conditions (including as to vesting and exercisability) as are applicable under the respective Spansion option immediately prior to the effective time of the merger. However, if a Spansion option is subject to the legal requirements of a non-U.S. jurisdiction and Cypress determines that the Spansion option may not be assumed under the legal requirements of the relevant non-U.S. jurisdiction, Cypress will, to ensure compliance with applicable non-U.S. law: (1) require that such

outstanding unassumed non-U.S. Spansion options be accelerated and exercised only by a cashless exercise pursuant to which employees will authorize a broker to sell all shares that they are entitled to at exercise immediately upon exercise and receive the difference between the fair market value of the shares at exercise and the exercise price in cash, (2) provide for conversion of the unassumed non-U.S. Spansion options into the right to

Table of Contents

receive, as soon as practicable after the effective time of the merger, an amount in cash equal to (x) the excess, if any, of (i) the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the closing date of the merger, *over* (ii) the applicable exercise price of such unassumed non-U.S. Spansion option, *multiplied by* (y) the number of Spansion shares subject to such unassumed non-U.S. Spansion option, less all applicable deductions and withholdings required by applicable legal requirements to be withheld in respect of such payment or (3) provide for such other treatment that is in compliance with applicable legal requirements and reasonably agreed upon by Cypress and Spansion at least 20 days prior to the effective time of the merger.

Cypress will also assume outstanding Spansion restricted stock units and performance stock units. Each assumed Spansion restricted stock unit award or performance stock unit award will be converted into an award to receive a number of shares of Cypress common stock equal to (x) the number of shares of Spansion common stock subject to the Spansion restricted stock unit award or performance stock unit award immediately prior to the effective time of the merger *multiplied by* (y) 2.457, with such product rounded down to the nearest whole share of Cypress common stock. Each assumed Spansion restricted stock unit award or performance stock unit award that was granted with a purchase price other than Spansion par value will have a purchase price per share equal to (x) the per share purchase price of Spansion common stock subject to such assumed Spansion restricted stock unit award or Spansion performance stock unit award, *divided by* (y) 2.457, with such quotient rounded up to the nearest whole cent. Each assumed Spansion restricted stock unit award or performance stock unit award otherwise will be subject to the same terms and conditions (including as to vesting and exercisability) as were applicable under the respective Spansion restricted stock unit award or performance stock unit award immediately prior to the effective time of the merger. However, if a Spansion restricted stock unit award or performance stock unit award is subject to the legal requirements of a non-U.S. jurisdiction and Cypress determines that the Spansion restricted stock unit award or performance stock unit award may not be assumed under the legal requirements of the relevant non-U.S. jurisdiction, Cypress will, to ensure compliance with applicable non-U.S. law: (1) provide for conversion of such unassumed non-U.S. Spansion restricted stock unit award or performance stock unit award into the right to receive, as soon as practicable after the effective time of the merger, an amount in cash equal to (x) the average of the closing sale prices for one share of Cypress common stock as quoted on the Nasdaq Global Select Market for the 10 consecutive trading days ending on the second trading day immediately preceding the closing date of the merger, *multiplied by* (y) the number of Spansion shares subject to such unassumed non-U.S. Spansion restricted stock unit award or performance stock unit award, less all applicable deductions and withholdings required by applicable legal requirements to be withheld in respect of such payment or (2) provide for such other treatment that is in compliance with applicable law and reasonably agreed upon by Cypress and Spansion at least 20 days prior to the effective time of the merger.

If any shares of Spansion common stock outstanding immediately prior to the effective time of the merger are unvested or subject to a repurchase option or obligation, risk of forfeiture or other condition under any applicable restricted stock purchase agreement or other agreement with Spansion or under which Spansion has any rights, then the common stock consideration (described above under the section entitled *Treatment of Securities Spansion Common Stock* beginning on page 89 of this joint proxy statement/prospectus) payable in exchange for such Spansion restricted stock also shall be unvested and subject to the same repurchase option or obligation, risk of forfeiture or other condition and need not be paid until such time as such repurchase option, risk of forfeiture or other condition lapses or otherwise terminates, and the certificates representing such shares of Spansion restricted stock may accordingly be marked with appropriate legends. Prior to the effective time of the merger, Spansion shall take all actions that may be necessary to ensure that, from and after the effective time of the merger, Cypress is entitled to exercise any such repurchase option or other right set forth in any such restricted stock purchase agreement or other agreement.

Cypress has agreed to file, within 10 business days after the effective time of the merger, a registration statement with the Securities and Exchange Commission relating to the shares of Cypress common stock issuable in connection with all assumed Spansion options, restricted stock units and performance stock units, and use its

Table of Contents

reasonable best efforts to maintain effectiveness of such registration statement (and maintain the current status of the prospectuses contained therein) for as long as such assumed awards remain outstanding. As a result, the shares of Cypress common stock issuable upon the exercise of assumed Spansion options and payout or vesting of assumed Spansion restricted stock units or performance stock units are expected to be freely transferable as long as the registration statement remains effective (subject to Cypress insider trading policy and any applicable securities laws).

Prior to the effective time of the merger, all outstanding purchase rights under the Spansion employee stock purchase plan will be exercised automatically as of immediately prior to the closing date of the merger and the Spansion employee stock purchase plan will be terminated.

Exchange Fund; Exchange of Stock Certificates

Prior to the completion of the merger, Cypress and Spansion will select a mutually acceptable bank or trust company to act as the exchange agent for the merger. As promptly as practicable (and in any event within one business day) after the effective time of the merger, Cypress will make available to the exchange agent for exchange in accordance with the merger agreement, the shares of Cypress common stock that are issuable in exchange for shares of Spansion common stock, and the cash payable in lieu of fractional shares. In addition, Cypress will make available from time to time after the completion of the merger as necessary, cash in an amount sufficient to pay any dividends or distributions to which holders of shares of Spansion common stock might be entitled under the merger agreement. Any Cypress common stock and cash deposited with the exchange agent is generally referred to as the exchange fund.

As promptly as practicable (and in any event within two business days) following the effective time of the merger, Cypress will cause the exchange agent to mail to each holder of record (as of immediately prior to the effective time of the merger) of a certificate or certificates that immediately prior to the effective time of the merger represented outstanding shares of Spansion common stock (or effective affidavits of loss in lieu thereof) or non-certificated shares of Spansion common stock represented by book entry (1) a letter of transmittal in customary form as Spansion and Cypress may reasonably agree and (2) instructions for use in effecting the surrender of the certificates or book entry shares in exchange for (a) certificates representing whole shares of Cypress common stock pursuant to the terms of the merger agreement, (b) cash payable in lieu of any fractional shares of Cypress common stock and (c) any dividends or other distributions payable pursuant to the terms of the merger agreement.

With respect to uncertificated shares of Spansion common stock held through direct registration, Cypress will implement procedures with the exchange agent for effecting the exchange of such directly registered uncertificated shares of Spansion common stock for shares of Cypress common stock and cash payable in lieu of any fractional shares as promptly as practicable after the effective time of the merger.

Upon surrender of certificates or book entry shares for cancellation to the exchange agent, together with a letter of transmittal, duly completed and validly executed in accordance with the relevant instructions, the holders of such certificates or book entry shares will be entitled to receive the number of whole shares of Cypress common stock such holder is entitled to receive pursuant to the merger agreement, payment of any cash such holder is entitled to receive in lieu of fractional shares and any dividends or distributions such holder is entitled to receive pursuant to the merger agreement, which shares and cash Cypress will cause the exchange agent to distribute as promptly as practicable (but in any event within five business days) following surrender of such certificates or book entry shares and a duly completed and validly executed letter of transmittal. Surrendered certificates will be canceled.

The exchange agent will accept certificates or book entry shares upon compliance with such reasonable terms and conditions as the exchange agent may impose for an orderly exchange in accordance with normal exchange practices. No interest will be paid or accrued for the benefit of holders of the certificates or book entry

Table of Contents

shares on the cash amounts payable in exchange for fractional shares. Until surrendered, from and after the effective time of the merger outstanding certificates or book entry shares will only be evidence of the ownership of the number of full shares of Cypress common stock into which such shares of Spansion common stock have been converted and the right to receive cash payable in lieu of fractional shares in accordance with the merger agreement and any dividends or distributions payable pursuant to the merger agreement.

Following the completion of the merger, Spansion will not register any transfers of Spansion common stock on its stock transfer books.

Holders of Spansion common stock should not attempt to surrender their stock certificates until they receive a letter of transmittal from the exchange agent with instructions for the proper surrender of such certificates.

Distributions with Respect to Unexchanged Shares

Registered holders of Spansion common stock will be entitled to dividends and other distributions declared or made after the date of the merger agreement with a record date after the effective time of the merger with respect to the number of whole shares of Cypress common stock which they are entitled to receive upon exchange of their Spansion common stock, but no such dividends will be paid to any particular holder of Spansion common stock until such holder has properly surrendered the certificates representing such shares in accordance with the letter of transmittal.

Termination of Exchange Fund; No Liability

Any portion of the exchange fund that is undistributed 12 months after the completion of the merger will, at the request of Cypress, be delivered to Cypress, or otherwise according to the instruction of Cypress, and any holders of Spansion common stock who have not surrendered their certificates or book entry shares in compliance with the merger agreement may then look only to Cypress for delivery or payment of the shares of Cypress common stock issuable, or cash payable (in lieu of any fractional shares and any dividends or other distributions), in exchange for such certificates or book entry shares.

None of Cypress, Spansion or the exchange agent will be liable to any holder of Spansion common stock or Cypress common stock for any shares (or any related dividends or distributions) properly paid to a public official pursuant to any applicable abandoned property, escheat or other similar law.

Lost, Stolen or Destroyed Certificates

If a Spansion stock certificate is lost, stolen or destroyed, the holder of the certificate must deliver an affidavit and may, at Cypress request, be required to deliver an indemnity bond prior to receiving any merger consideration.

Representations and Warranties

The merger agreement contains representations and warranties made by each of Cypress, Mustang Acquisition Corporation and Spansion, regarding their businesses, financial condition and structure, their subsidiaries and other facts pertinent to the merger. Each party's representations and warranties are subject to materiality, knowledge and other similar qualifications in many respects, expire at the effective time of the merger and relate to:

corporate organization, qualification to do business, corporate standing, corporate power and enforceability of the merger agreement;

corporate authorization to enter into and carry out the obligations contained in the merger agreement, requisite stockholder approvals and the opinions of financial advisors;

-92-

Table of Contents

the absence of any conflicts with or violations of such party's organizational documents and certain agreements with third parties, the absence of any rights of first refusal or acquisition or pre-emptive rights with respect to such party's capital stock or other assets or properties arising or resulting from entering into and carrying out the obligations contained in the merger agreement and certain regulatory approvals required in connection with the merger;

capitalization;

such party's subsidiaries;

certain Securities and Exchange Commission filings and the financial statements contained in those filings;

controls and procedures for required disclosures of financial and non-financial information in certain reports filed with the Securities and Exchange Commission;

the absence of undisclosed liabilities (other than certain specified exceptions);

the absence of certain changes or events between the date of such party's last audited balance sheet and the date of the merger agreement;

real property matters;

personal property matters;

intellectual property matters;

material contracts and the absence of breaches of material contracts;

tax matters;

employee benefit plans;

labor matters and relations;

environmental matters;

compliance with applicable laws, including anti-corruption and export controls laws;

compliance with permits required for the operation of business;

litigation and legal proceedings;

insurance matters;

such party's ownership of the other party's capital stock;

the applicability of Delaware anti-takeover statutes to the merger; and

brokerage or other finders' fees that may be payable in connection with the merger.

Conduct of Business before Completion of the Merger

In the merger agreement, Cypress and Spansion have agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless contemplated by the merger agreement, required by applicable law or consented to by the other party in writing, each such party will:

use commercially reasonable efforts to carry on its businesses in the usual, regular and ordinary course in substantially the same manner as earlier conducted and in compliance with all applicable laws;

pay its debts and taxes when due, in each case subject to good faith disputes over such debts or taxes;

pay all of its material debts when due and perform all of its material obligations when such obligations are required to be performed, in each case subject to good faith disputes over such debts or obligations;

Table of Contents

use its commercially reasonable efforts, consistent with past practices and policies, to (1) preserve intact its present businesses, (2) keep available the services of its present officers and employees and (3) preserve its relationships with customers, suppliers, distributors, licensors, licensees and others with which it has significant business dealings; and

use its reasonable best efforts to enforce its rights under all confidentiality, non-disclosure, standstill and other similar agreements in the event of any violation of such agreements.

Under the merger agreement, each of Cypress and Spansion has also agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless the other party consents in writing, they will not (and will not permit their respective subsidiaries to), except as specifically contemplated or permitted by the merger agreement, as required by law or as specifically disclosed to the other party in such party's disclosure letter to the merger agreement:

propose to adopt any amendments to or amend their respective certificates of incorporation or by-laws or comparable organizational documents;

authorize, issue, sell, deliver or agree or commit to issue, sell or deliver any of their respective securities or any securities of any of their respective subsidiaries, except in accordance with certain specified exceptions;

acquire, redeem, or amend any of their respective securities or any securities of any of their respective subsidiaries (other than dissolving and/or merging subsidiaries that are not material to them and their respective subsidiaries, taken as a whole);

split, combine or reclassify any shares of capital stock, declare, set aside or pay any dividend or other distribution, or make any other actual, constructive or deemed distribution, other than cash dividends made in the ordinary course of business and consistent with past practice, or between their respective wholly owned subsidiaries to themselves or one of their respective subsidiaries;

propose or adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of themselves or any of their respective subsidiaries (other than the merger);

incur, assume or issue any debt, except for (1) letters of credit or bank guarantees issued in the ordinary course of business consistent with past practice, (2) short-term debt or revolving credit facility debt incurred to fund operations of the business or for cash management purposes, in each case in the ordinary course of business consistent with past practice, (3) loans or advances to subsidiaries in the ordinary course of business consistent with past practices and (4) with respect only to existing indebtedness that matures before the completion of the merger, to refinance, extend or renew the maturity of that indebtedness in an amount that doesn't exceed such existing indebtedness, subject to certain conditions as provided in the merger agreement;

other than in the ordinary course of business, assume, guarantee, endorse or otherwise become liable or responsible for any material obligations of any third person (except obligations of any of their respective subsidiaries);

make any material loans, advances or capital contributions to or investments in any third person;

mortgage or pledge any of their or their respective subsidiaries' assets, or create any liens on such assets;

except to satisfy contractual obligations existing on the date of the merger agreement, make any bonuses or increase compensation other than as permitted by the merger agreement;

forgive any loans to any of their respective employees, officers or directors or any employees, officers or directors of any of their respective subsidiaries or affiliates;

fund any employee benefit plans other than as required by existing contracts or applicable law;

Table of Contents

enter into, amend, or extend any collective bargaining agreement;

acquire, sell, lease, license or dispose of any material property or assets except (1) pursuant to existing contracts, (2) for transactions in the ordinary course of business consistent with past practice and not in excess of \$5 million individually, or \$40 million in the aggregate or (3) the sale of Spansion products or Cypress products, or services, in the ordinary course of business consistent with past practice;

except to comply with GAAP, make any change in accounting principles or practices;

make or change any material tax election, adopt or change any tax accounting method, settle or compromise any material tax liability, or consent to an extension or a waiver of any limitations period applicable to a material tax claim or assessment;

enter into or materially amend, or waive any right under, any contract that would be a Spansion material contract or a Cypress material contract, as defined in the merger agreement;

enter into or modify any lease or sublease of real property with a term in excess of one year;

grant any exclusive rights to any of their respective intellectual property rights that are material to their respective businesses;

modify the standard warranty terms for Spansion or Cypress products or services;

acquire any other third party or any equity interest in any third party;

authorize, incur or commit to incur any new capital expenditures that in the aggregate exceed \$30 million (plus \$5 million for each full month after June 30, 2015 until the completion of the merger), other than maintenance capital expenditures or capital expenditures required pursuant to existing contracts;

settle or compromise any litigation or liabilities other than those (1) reflected or reserved against in full in the September 28, 2013 Spansion or Cypress balance sheet, (2) covered by existing insurance policies, (3) settled since the respective dates thereof in the ordinary course of business consistent with past practice or (4) in an amount not more than \$4 million;

except as required by GAAP, revalue in any material respect any of its properties or assets (including writing-off notes or accounts receivable) other than in the ordinary course of business consistent with past practice;

convene any special meeting of their stockholders (or postpone or adjourn any special meeting), or propose any matters for consideration and a vote of its stockholders other than the merger agreement and the merger;

waive any rights under any confidentiality, non-disclosure, standstill, employee non-solicitation and other similar agreements; or

enter into a contract to do any of the above, or knowingly take any action that is reasonably likely to result in any of the conditions to the consummation of the transactions contemplated by the merger agreement not being satisfied, or knowingly take any action that would make any of their respective representations or warranties set forth in the merger agreement untrue or incorrect in any material respect, or that would materially impair their ability to consummate the transactions contemplated by the merger agreement in accordance with the terms of the merger agreement, or materially delay the effective time of the merger.

Cypress and Spansion also agreed to prepare, as soon as possible after the execution and delivery of the merger agreement, a supplemental indenture, as required by Sections 5.02 and 10.05 of the indenture, dated as of August 26, 2013 (as amended, modified or supplemented from time to time), by and among Spansion LLC, the guarantors party thereto, including Spansion and Wells Fargo Bank, National Association, as trustee, governing the exchangeable 2.00% senior notes due 2020 of Spansion LLC. When the merger is completed, Cypress,

Table of Contents

Spancion, Spancion LLC and the guarantors party thereto will execute with Wells Fargo the supplemental indenture, effective as of the completion of the merger.

Cypress and Spancion are Required to Terminate Any Existing Discussions with Third Parties and are Prohibited from Soliciting Other Offers

Promptly after the execution and delivery of the merger agreement, each of Spancion and Cypress will immediately cease and cause to be terminated, and will instruct, direct and cause their respective directors, officers, employees, subsidiaries, controlled affiliates, investment bankers, attorneys and other advisors or representatives to immediately cease and cause to be terminated, any and all existing activities, discussions or negotiations with any persons previously conducted with respect to certain acquisition proposals and acquisition transactions relating to Spancion and Cypress described below. Each of Spancion and Cypress will also promptly request that all confidential information that has been delivered, provided or furnished by or on behalf of Spancion or Cypress, as the case may be, within the two year period prior to the date of the merger agreement in connection with any consideration, discussions or negotiations regarding any such potential acquisition proposals or acquisition transactions be returned or destroyed.

Under the terms of the merger agreement, subject to certain exceptions described below, neither Spancion nor Cypress will, or authorize or permit any of their respective representatives to, directly or indirectly:

solicit, initiate or knowingly encourage or facilitate, the making, submission or announcement of an acquisition proposal relating to Spancion or Cypress, respectively;

furnish to any person (other than each other) any non-public information relating to Spancion or Cypress or any of their respective subsidiaries, or allow access to their business, properties, assets, books or records, or the business, properties, assets, books or records of any of their respective subsidiaries, in either case in a manner intended to assist or facilitate any inquiries or the making of any proposal that constitutes or would reasonably be expected to lead to an acquisition proposal relating to Spancion or Cypress, or take any other action intended to assist or facilitate any inquiries or the making of any proposal that constitutes or would reasonably be expected to lead to an acquisition proposal relating to Spancion or Cypress;

participate or engage in discussions or negotiations with any person (other than each other) with respect to an acquisition proposal relating to Spancion or Cypress, respectively;

approve, endorse or recommend an acquisition proposal relating to Spancion or Cypress, respectively;

enter into any letter of intent, memorandum of understanding or other contract contemplating an acquisition transaction relating to Spancion or Cypress, respectively;

terminate, amend or waive any rights under any standstill or other similar contract;

waive Section 203 of the DGCL, or any portion thereof (other than with respect to each other); or

propose publicly or agree to any of the foregoing with respect to an acquisition proposal relating to Spansion or Cypress, respectively.

For purposes of the restrictions described above, acquisition proposal means any offer or proposal (or any indication of interest that is substantially equivalent to an offer or proposal) relating to any acquisition transaction, and acquisition transaction means any transaction or series of related transactions involving:

any acquisition or purchase of a 15% or greater interest in the total outstanding equity interests or voting securities of Cypress or Spansion, or any tender offer or exchange offer that if consummated would result in anyone beneficially owning 15% or more of the total outstanding equity interests or voting securities of Cypress or Spansion;

any acquisition or purchase of 50% or more of any class of equity or other voting securities of one or more subsidiaries of Cypress or Spansion, the business(es) of which, individually or in the aggregate,

Table of Contents

generate or constitute 15% or more of the net revenues, net income or assets (as of or for the 12 month period ending on the last day of Cypress or Spansion's most recently completed fiscal year) of Cypress or Spansion and their respective subsidiaries, taken as a whole;

any merger, consolidation, business combination or other similar transaction involving Cypress or Spansion or one or more of their subsidiaries the business(es) of which, individually or in the aggregate, generate or constitute 15% or more of the net revenues, net income or assets (as of or for the 12 month period ending on the last day of Cypress or Spansion's most recently completed fiscal year) of Cypress or Spansion and their respective subsidiaries, taken as a whole, pursuant to which the stockholders of Cypress or Spansion, or such subsidiary or subsidiaries, as applicable, hold less than 85% of the equity interests in the surviving or resulting entity of such transaction;

any sale, lease (other than in the ordinary course of business), exchange, transfer, license (other than in the ordinary course of business), acquisition or disposition of assets of Cypress or Spansion that generate or constitute 15% or more of the net revenues, net income or assets (as of or for the 12 month period ending on the last day of Cypress or Spansion's most recently completed fiscal year);

any liquidation, dissolution, recapitalization or other significant corporate reorganization of Cypress or Spansion or one or more of their subsidiaries the business(es) of which, individually or in the aggregate, generate or constitute 15% or more of the net revenues, net income or assets (as of or for the 12 month period ending on the last day of Cypress or Spansion's most recently completed fiscal year); or

any combination of the foregoing.

Spansion and Cypress are also obligated to promptly, and in all cases within 24 hours, advise the other in writing of:

any acquisition proposal they receive;

any request for information they receive that would reasonably be expected to lead to an acquisition proposal or an acquisition transaction; or

any inquiry they receive with respect to, or which would reasonably be expected to lead to, any acquisition proposal or acquisition transaction, the material terms and conditions of such acquisition proposal, acquisition transaction, request or inquiry, and the identity of the person making the acquisition proposal, request or inquiry.

In addition, each of Spansion and Cypress is required to keep the other party reasonably informed on a prompt basis of the status of any discussions and negotiations with respect to any acquisition proposal or acquisition transaction and its material terms and conditions and any request or inquiry. Each of Spansion and Cypress will give the other at least 48 hours (or whatever lesser notice provided to the board generally) notice of a meeting of its board (or any committee) at which its board (or any committee) is reasonably expected to consider an acquisition proposal or acquisition transaction it has received, and will inform the other as promptly as practicable of any material change in

the price, structure, form of consideration or other material terms and conditions of the acquisition proposal or acquisition transaction.

Notwithstanding the prohibitions described above, if either Cypress or Spansion receives an unsolicited bona fide written acquisition proposal before the date of its requisite stockholder approval and the conditions set forth below are satisfied, the party receiving the acquisition proposal is permitted to:

engage or participate in discussions or negotiations with a party that has made (and not withdrawn) a bona fide, unsolicited acquisition proposal that Cypress or Spansion determines in good faith (after consultation with a financial advisor of nationally recognized standing and its outside legal counsel) constitutes or is reasonably likely to lead to a superior proposal; and/or

furnish any non-public information to the party making such unsolicited acquisition proposal that Cypress or Spansion's board determines in good faith (after consultation with a financial advisor of

Table of Contents

nationally recognized standing and its outside legal counsel) constitutes or is reasonably likely to lead to a superior proposal in respect of such party.

The following conditions must be satisfied in order to engage in such discussions or negotiations with, or provide information to, such third party:

such acquisition proposal must not have resulted from a breach of the non-solicitation obligations contained in the merger agreement and the third party submitting such acquisition proposal must not have made any other acquisition proposal that resulted from a breach of the non-solicitation obligations contained in the merger agreement;

the party proposing to engage in such discussions or negotiations with, or provide information to, a third party must not have materially breached the non-solicitation obligations contained in the merger agreement;

the board of the party proposing to engage in such discussions or negotiations with, or provide information to, a third party must have determined in good faith (after consultation with its outside legal counsel) that the failure to take such action would reasonably be expected to be inconsistent with its fiduciary duties under Delaware law;

at least 24 hours prior to taking such action, the party proposing to engage in such discussions or negotiations with, or provide information to, a third party must have given notice to the other party;

the party proposing to engage in such discussions or negotiations with, or provide information to, a third party must have entered into a confidentiality agreement with such third party; and

within 12 hours of providing such information to a third party, the party proposing to engage in such discussions or negotiations with, or provide information to, a third party must provide the same information to the other party.

For purposes of the provisions described above, superior proposal means an unsolicited bona fide written acquisition proposal (except that all references to 15% in the definition of acquisition transaction will be replaced by 50%) with respect to which the board of the applicable party will have determined in good faith (after consultation with its financial advisor of nationally recognized standing and its outside legal counsel, and after taking into account, among other things, the financial, legal and regulatory aspects of such acquisition transaction, the extent to which such acquisition transaction is conditioned on third party financing and, if so, the extent to which the person proposing such acquisition transaction has obtained commitments for any such third party financing, as well as any counter-offer or proposal made by the other party to the merger agreement) that (1) the acquiring party is reasonably capable of timely consummating the proposed acquisition transaction on the terms proposed and (2) the proposed acquisition transaction would, if timely consummated in accordance with its terms, be more favorable to the stockholders of the applicable party to the merger agreement than the merger and other transactions contemplated by the merger agreement (or any counter-offer or proposal made by the other party to the merger agreement).

Obligations of each of the Cypress and Spansion Boards with Respect to its Recommendation and Holding a Meeting of its Stockholders

Under the terms of the merger agreement, Spansion and Cypress agreed that the Cypress and Spansion boards will each call, hold and convene a meeting of its stockholders promptly (and within 45 days) after the declaration of effectiveness of the registration statement, of which this joint proxy statement/prospectus forms a part, by the Securities and Exchange Commission. Spansion and Cypress also agreed that the Cypress and Spansion boards will each use its reasonable best efforts to call, give notice of, convene and hold its respective stockholder meetings on the same day and at the same time as the other party's stockholder meeting; provided, that such efforts will not require either Spansion or Cypress to delay the meeting of its stockholders beyond the date that is 45 days after the declaration of effectiveness of the registration statement. The Cypress board agreed to recommend the approval of

-98-

Table of Contents

the issuance of shares of Cypress common stock in the merger to its stockholders and to use reasonable best efforts to obtain the required stockholder approval. The Spansion board agreed to recommend the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement to its stockholders and to use reasonable best efforts to obtain the required stockholder adoption and approvals.

Each of the Cypress and Spansion boards also agreed not to withhold, withdraw, amend, modify, qualify or condition, or publicly propose to withhold, withdraw, amend, modify, qualify or condition, their recommendations.

Notwithstanding the obligations described above, at any time before receiving the approvals of their respective stockholders, the Cypress board or Spansion board may change its recommendation if certain conditions are satisfied with respect to a superior proposal or an intervening event.

With respect to a superior proposal, a party may change its recommendation if and only if:

it has received an acquisition proposal that its board has determined in good faith (after consultation with its financial and legal advisors) constitutes a superior proposal;

such acquisition proposal did not result from a breach of the nonsolicitation obligations contained in the merger agreement;

the party proposing to change its recommendation has not breached the nonsolicitation obligations contained in the merger agreement in respect of such acquisition proposal;

prior to changing its recommendation, Cypress or Spansion, as the case may be, has given the other party at least five business days' notice and the opportunity to meet and discuss in good faith potential amendments or other modifications to the merger agreement so that the merger and other transactions contemplated by the merger agreement can take place;

the other party has not made, within the five business days after receiving notice of a party's intent to change its recommendation, a counteroffer or proposal that the board of the party proposing to change its recommendation determines in good faith (after consultation with its financial advisor of nationally recognized standing and its outside legal counsel) is at least as favorable to its stockholders as that superior proposal; and

after such discussions, the board of the party proposing to change its recommendation determines in good faith (after consultation with its outside legal counsel and after considering in good faith any counteroffer or proposal) that the failure to change its recommendation would reasonably be expected to be inconsistent with its fiduciary duties under Delaware law.

A party may also change its recommendation in connection with an intervening event, if and only if:

such intervening event does not involve the receipt of any offer, proposal or inquiry from any third party relating to an acquisition transaction;

before changing its recommendation, the party proposing to do so has given the other at least five business days' notice and the opportunity to meet and discuss in good faith the basis for the proposed change in recommendation, the other party's reaction and potential amendments and modifications to the merger agreement so that the merger and other transactions contemplated by the merger agreement can take place; and

after such discussions, the board of the party proposing to change its recommendation determines in good faith (after consultation with outside legal counsel) that the failure to change its recommendation would reasonably be expected to be inconsistent with its fiduciary duties under Delaware law.

For purposes of the provisions described above, intervening event means any material event, circumstance, change, effect, development or condition occurring or arising after the date of the merger

Table of Contents

agreement that was not known by the Cypress board or the Spansion board, as applicable, as of or before the date of the merger agreement.

Regardless of whether either the Cypress or Spansion board has received an acquisition proposal or a superior proposal of the type described above, or has changed its recommendation as it relates to the merger, both parties are obligated to call, give notice of, convene and hold a meeting of their respective stockholders to consider and vote upon their respective proposals relating to the merger and no change of recommendation or unsolicited proposal will give the party that changed its recommendation or that received an unsolicited proposal a right to terminate the merger agreement or affect any other obligation of the parties under the merger agreement. Neither Cypress nor Spansion is permitted under the merger agreement to submit any acquisition proposal, including a superior proposal, to a vote of its respective stockholders at or prior to its stockholders' meeting relating to the merger. For more information concerning the ability of the parties to terminate the merger agreement under certain circumstances, see the section entitled *Termination; Fees and Expenses* beginning on page 106 of this joint proxy statement/prospectus.

Joint Proxy Statement/Prospectus

The merger agreement provides that as promptly as practicable (and in any event with 45 days) after the execution and delivery thereof, Cypress and Spansion will prepare and file with the Securities and Exchange Commission, a registration statement on Form S-4 of which this joint proxy statement/prospectus is a part (which includes a prospectus for the issuance of shares of Cypress common stock in the merger, a proxy statement of Cypress for use in connection with the solicitation of proxies for the Cypress stockholder meeting and a proxy statement of Spansion for use in connection with the solicitation of proxies for the Spansion stockholder meeting). Both parties have agreed to use their reasonable best efforts to have this joint proxy statement/prospectus declared effective by the Securities and Exchange Commission as promptly as practicable after filing and have agreed to fully cooperate in the preparation of this joint proxy statement/prospectus.

Subject to certain exceptions set forth in the merger agreement, no amendment or supplement (including by incorporation by reference) to this joint proxy statement/prospectus will be made without the approval of both parties, which approval will not be unreasonably withheld, conditioned or delayed. Cypress and Spansion have agreed to notify each other as promptly as practicable after the receipt of any written or oral comments of the Securities and Exchange Commission or its staff regarding, or of any written or oral request by the Securities and Exchange Commission or its staff for amendments or supplements to, this joint proxy statement/prospectus and related filings, and to promptly give the other copies of all correspondence between it or any of its representatives and the Securities and Exchange Commission or its staff with respect to any of the foregoing filings.

Efforts to Complete and Regulatory Matters

Each party to the merger agreement has agreed to use its reasonable best efforts to take all actions and to do all things reasonably necessary to consummate and make effective the transactions contemplated by the merger agreement, including using reasonable best efforts to:

cause the conditions to the merger to be satisfied or fulfilled;

obtain all necessary consents, waivers and approvals under any contracts to which either (or any of its subsidiaries) is a party so as to maintain and preserve the benefits under such contracts following the

effective time of the merger;

obtain all necessary actions or non-actions, waivers, consents, approvals, orders and authorizations from governmental authorities, seek the expiration or termination of any applicable waiting periods under applicable legal requirements, and make all necessary registrations, declarations and filings with governmental authorities;

-100-

Table of Contents

seek to have vacated or otherwise lifted or removed any legal order that has been issued or granted that has the effect of making the merger or related transactions illegal, preventing or otherwise restraining the effective time of the merger or related transactions in any such jurisdiction; and

execute or deliver any additional instruments reasonably necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, the merger agreement.

In connection with the foregoing, as soon as practicable (and within 30 days) following the execution and delivery of the merger agreement, the parties have agreed to file with the Federal Trade Commission and the Antitrust Division of the Department of Justice a Notification and Report Form relating to the merger and related filings and, as required by applicable law, in Germany and Japan and any other non-U.S. jurisdiction in which Cypress or Spansion have material business operations or in which Cypress and Spansion mutually agree to make a filing or otherwise seek a consent or approval of a governmental authority under applicable antitrust laws. Cypress and Spansion have determined such approval is not required in China. Each of Cypress and Spansion has agreed to cooperate and coordinate with the other in the making of such filings and inform the other party hereto of any communication from any governmental authority regarding the merger and related transactions. Each of Cypress and Spansion filed with the Federal Trade Commission and the Antitrust Division of the Department of Justice a Notification and Report Form relating to the merger and related filings on December 16, 2014, and made related filings as required by applicable law in Germany on December 17, 2014.

Public Announcements

Neither Cypress nor Spansion will issue any press release or make any public statement with respect to the merger agreement or the merger without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. However, Cypress and Spansion may, without the prior consent of the other, issue a press release or make a public statement relating to the merger agreement or the merger if it determines that the press release or public statement is required by applicable law or the rules and regulations of the Nasdaq Global Select Market or New York Stock Exchange, and it has notified and consulted with the other party.

Spansion Employee Benefits; 401(k) Plans

After the effective time of the merger, and to the extent permitted by applicable law, Cypress will recognize the prior service with Spansion or its subsidiaries of each Spansion employee in connection with all employee benefit plans, programs or policies (including vacation and severance, but excluding the sabbatical program) of Cypress or its affiliates in which Spansion employees are eligible to participate following the effective time of the merger for purposes of eligibility and vesting and determination of level of benefits (but not for purposes of benefit accruals or benefit amounts under any defined benefit pension plan or to the extent that such recognition would result in duplication of benefits).

After the effective time of the merger, Cypress will, or will cause Spansion to, cause any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of Cypress or its affiliates to be waived with respect to Spansion employees and their eligible dependents, and provide each Spansion employee with credit for any deductibles paid under any Spansion employee plan that provides medical, dental or vision benefits in the plan year in effect as of the effective time of the merger in satisfying any applicable deductible or out of pocket requirements under any medical, dental or vision plans of Cypress or the surviving corporation in the merger that such employees are eligible to participate in after the effective time of the merger.

Prior to the effective time of the merger, Spansion will terminate its employee stock purchase program, 401(k) plan and any and all group severance, separation or salary continuation plans, programs or arrangements.

Indemnification and Insurance

Under the terms of the merger agreement, Cypress will honor all obligations of Spansion contained in any indemnification agreement in effect prior to completion of the merger between Spansion or its subsidiaries and any of its current or former directors or officers for a period of six years after completion of the merger.

-101-

Table of Contents

For six years following the effective time of the merger, Cypress will maintain the existing policy of Spansion's directors and officers and fiduciary liability insurance covering claims arising from facts or events that occurred prior to the completion of the merger, including acts or omissions occurring in connection with the merger agreement and completion of the merger to the extent such acts or omissions are covered by the existing insurance policy, and covering each director and officer of Spansion who was covered at the effective time of the merger on terms with respect to coverage and amounts no less favorable than those in effect prior to the signing of the merger agreement. However, Cypress will not be required to expend in any one year an amount in excess of 250% of the annual premium paid by Spansion at the time the merger agreement was signed. In the event the premium exceeds 250% of the annual premium at the time the merger agreement was signed, Cypress will be obligated to obtain an insurance policy with the greatest coverage available for a cost not exceeding 250% of the annual premium paid by Spansion at the time the merger agreement was signed. Alternatively, Cypress or Spansion may, prior to completion of the merger, purchase a six year tail prepaid insurance policy on terms and conditions no less advantageous than, from an issuer with an AM Best rating no worse than the issuer of, Spansion's current director and officer policy. Prior to the effective time of the merger, Cypress will also purchase, for the benefit of the directors and officers of Cypress, liability insurance with a coverage limit of no less than \$50 million, or such other amount as is mutually agreed by Spansion and Cypress.

Listing of Cypress Common Stock

Cypress will use its reasonable best efforts to have authorized for listing on the Nasdaq Global Select Market before the effective time of the merger, upon official notice of issuance, the shares of Cypress common stock that are issuable in the merger, the shares of Cypress common stock that are issuable upon the exercise of all assumed options and assumed restricted stock and performance units and any shares of Cypress common stock issuable upon exchange of Spansion's exchangeable 2.00% senior notes at and after the effective time of the merger.

Takeover Statutes

If any takeover statute is or may become applicable to the merger or any other transactions contemplated by the merger agreement, Spansion and the Spansion board will promptly grant such approvals and take such lawful actions as are necessary so that the merger and/or such other transactions can be consummated as promptly as practicable on the terms contemplated by the merger agreement, and otherwise take such lawful actions to eliminate or minimize the effects of such statute on the merger and such other transactions.

Cypress and Spansion Insiders

The Cypress board, or a committee thereof consisting of non-employee directors, will adopt a resolution in advance of the effective time of the merger providing that the receipt by Spansion insiders of Cypress common stock are intended to be exempt pursuant to Rule 16b-3 under the Securities Exchange Act of 1934. In addition, the Spansion board, or a committee thereof consisting of non-employee directors, will adopt a resolution in advance of the effective time of the merger providing that the disposition by Spansion insiders of Spansion common stock and stock awards in exchange for shares of Cypress common stock and Cypress stock awards are also intended to be exempt pursuant to Rule 16b-3 under the Securities Exchange Act of 1934.

Tax Matters

Neither Cypress, Spansion nor any of their subsidiaries will take any action prior to or following the effective time of the merger that would reasonably be expected to cause the merger to fail to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Each of Cypress and Spansion will also use its reasonable best efforts to obtain tax opinions from its counsel to the effect that the merger will qualify as a

reorganization within the meaning of Section 368(a) prior to the effective time of the merger.

-102-

Table of Contents

Cypress Governance Matters after the Merger

On the effective time of the merger, Cypress will retain the name Cypress Semiconductor Corporation. In addition, immediately following the effective time of the merger:

the Cypress board will have eight members, comprised of T.J. Rodgers, Eric Benhamou and two others from the current Cypress board to be mutually agreed, and John H. Kispert, Raymond Bingham and two others from the current Spansion board to be mutually agreed;

the chairman of the Cypress board will be Mr. Bingham;

the chairman of the Operations Committee of the Cypress board will be Mr. Kispert;

the chairman of the Nominating and Governance Committee of the Cypress board will be a current Spansion director;

the chairman of the Audit Committee of the Cypress board will be a current Cypress director;

the chairman of the Compensation Committee of the Cypress board will be a current Spansion director;

the chief executive officer of Cypress will be Mr. Rodgers; and

the chief financial officer of Cypress will be the current Cypress chief financial officer.

Conditions to Obligations to Complete the Merger

The respective obligations of Cypress, Mustang Acquisition Corporation and Spansion to consummate the merger are subject to the satisfaction or waiver of each of the following conditions:

no governmental authority of competent jurisdiction will have enacted, issued, promulgated, entered, or enforced any law that is in effect and has the effect of making the merger or any other transactions contemplated by the merger agreement illegal or prohibiting the effective time of the merger or any other transactions contemplated by the merger agreement;

no governmental authority of competent jurisdiction will have issued or granted any order (whether temporary, preliminary or permanent) that has the effect of making the merger or any other transactions contemplated by the merger agreement illegal or prohibiting the effective time of the merger or any other

transactions contemplated by the merger agreement;

Cypress' registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, will have been declared effective by the Securities and Exchange Commission and no stop order suspending the effectiveness of such registration statement will have been issued by the Securities and Exchange Commission and no proceeding for that purpose, and no similar proceeding in respect of the joint proxy statement/prospectus, will have been initiated or threatened in writing by the Securities and Exchange Commission;

the required approvals of the Cypress and Spansion stockholders will have been obtained;

all waiting periods (including all extensions) applicable to the merger under the laws of the U.S., Germany and Japan and any other non-U.S. jurisdiction in which Cypress or Spansion have material business operations or in which Cypress and Spansion mutually agree to make a filing or otherwise seek a consent or approval of a governmental authority under applicable antitrust laws will have terminated or expired;

all clearances, consents, approvals, authorizations and orders applicable to the merger which are required under any antitrust laws of the U.S., Germany and Japan and any other non-U.S. jurisdiction in which Cypress or Spansion have material business operations or in which Cypress and Spansion mutually agree to make a filing or otherwise seek a consent or approval of a governmental authority under applicable antitrust laws, will have been received and become final and non-appealable;

Table of Contents

the shares of Cypress common stock issuable in the merger and upon the exercise of all assumed Spansion options, in settlement of all assumed Spansion restricted stock and performance units, and any shares of Cypress common stock issuable upon exchange of Spansion's exchangeable 2.00% senior notes at and after the effective time of the merger, will have been authorized for listing on the Nasdaq Global Select Market; and

each of Cypress and Spansion will have received from its respective tax counsel an opinion to the effect that the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

In addition, the respective obligations of each of Cypress and Mustang Acquisition Corporation, on the one hand, and Spansion on the other, to effect the merger and the other transactions contemplated by the merger agreement are subject to the satisfaction or waiver of the following additional conditions:

the other party will have performed or complied in all material respects with all agreements and covenants required by the merger agreement to be performed or complied with by it at or prior to the effective time of the merger;

certain representations and warranties of the other party relating to organization and qualification, authority, approvals and enforceability, required filings and consents, certificates of incorporation and by-laws, ownership of the other party's capital stock, takeover statutes and brokers will have been true and correct in all material respects as of the date of the merger agreement, and will be true and correct in all material respects on and as of the date of the effective time of the merger with the same force and effect as if made on and as of that date;

certain representations and warranties of the other party relating to its capitalization will have been true and correct as of the date of the merger agreement and will be true and correct on and as of the date of the effective time of the merger with the same force and effect as if made on and as of such date, except, in each case, for any inaccuracies that would not, individually or in the aggregate, reflect a change in the number of fully diluted shares of either party, before giving effect to the merger, of more than half a percent from that reflected in the merger agreement at signing;

the representations and warranties of the other party (other than those described above), will have been true and correct as of the date of the merger agreement, and will be true and correct on and as of the date of the effective time of the merger with the same force and effect as if made on and as of such date, except for any failure to be true and correct that has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect (as further described below), and except for those representations and warranties that address matters only as of a particular date (which will have been true and correct as of that particular date, except for any failure to be true and correct as of such date which has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect) (except that for purposes of determining the accuracy of those representations and warranties all qualifications based on a material adverse effect and all materiality qualifications and other qualifications based on the word "material" or similar phrases will be disregarded and any update of or modification to the disclosure letters of each

party made or purported to have been made after the date of the merger agreement will be disregarded);

since the date of the merger agreement, there will not have occurred or arisen any material adverse effect with respect to the other party that is continuing; and

each party will have received from the other a certificate, signed for and on behalf of such other party by the chief executive officer and the chief financial officer, certifying the satisfaction of certain closing conditions.

-104-

Table of Contents

Material Adverse Effect

Under the terms of the merger agreement, a material adverse effect on either Cypress or Spansion will mean any fact, circumstance, change or effect that, individually or when taken together with all other facts, circumstances, changes or effects that exist at the date of determination of the occurrence of the applicable material adverse effect, has or is reasonably likely to have a material adverse effect on the business, operations, financial condition or results of operations of the applicable party and its subsidiaries, taken as a whole (except that no facts, circumstances, changes or effects (by themselves or when aggregated with any other facts, circumstances, changes or effects) resulting from, relating to or arising out of the following will be deemed to be or constitute a material adverse effect, and no facts, circumstances, changes or effects resulting from, relating to or arising out of the following (by themselves or when aggregated with any other facts, circumstances, changes or effects) will be taken into account when determining whether a material adverse effect has occurred or may, would or could occur):

economic, financial or political conditions in the United States or any other jurisdiction in which either party or any of their subsidiaries has substantial business or operations, and any changes in those conditions, but solely to the extent that such conditions and changes do not have a disproportionate impact on such party and its subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

conditions in the semiconductor industry, and any changes in those conditions, but solely to the extent that such conditions and changes do not have a disproportionate impact on such party and its subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

conditions in the financial markets, and any changes in such conditions, but solely to the extent that such conditions and changes do not have a disproportionate impact on such party and its subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

acts of terrorism or war, weather conditions, power outages, and other force majeure events, but solely to the extent that such conditions and changes do not have a disproportionate impact on such party and its subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

the announcement or pendency of the merger agreement, the merger and the other transactions contemplated by the merger agreement;

changes in law or GAAP (or any interpretations of GAAP);

failure by either party or any of their subsidiaries to take any action that is expressly prohibited by the merger agreement;

changes in stock price or the trading volume of either party's stock, in and of itself;

the failure to meet public estimates or forecasts of revenues, earnings of other financial metrics, in and of itself, or the failure to meet internal projections, forecasts or budgets of revenues, earnings or other financial metrics, in and of itself;

any legal proceeding that is pending or threatened on or prior to the effective time of the merger, except to the extent that final judgments are rendered against either party after the date of the merger agreement in an aggregate amount in excess of \$100 million (provided, for the avoidance of doubt, that the existence of such final judgments in excess of \$100 million will not alone be dispositive of the existence of a material adverse effect); or

any legal claims made or brought by any current or former stockholders of either party or other legal proceedings arising out of or related to the merger agreement, the merger or any other transactions contemplated by the merger agreement.

-105-

Table of Contents

Termination; Fees and Expenses

Termination

The merger agreement may be terminated and the merger may be abandoned at any time before the effective time of the merger:

by mutual written consent duly authorized by the Spansion board and the Cypress board;

by either Cypress or Spansion, if any governmental authority of competent jurisdiction has (1) enacted, issued, promulgated, entered, enforced or deemed applicable to the merger any law that is in effect and has the permanent effect of making the effective time of the merger illegal, or which has the effect of permanently prohibiting, preventing or otherwise restraining the effective time of the merger, or (2) issued or granted any order that is in effect and has the effect of making the merger illegal or which has the permanent effect of prohibiting, preventing or otherwise restraining the merger, and such order has become final and non-appealable (provided that the party seeking to terminate the merger agreement for that reason has complied with its obligations in the merger agreement to seek to have any such order vacated or lifted or removed);

by either Cypress or Spansion, if the merger has not been consummated by June 1, 2015; except that in the event one or more conditions relating to effectiveness of the registration statement and/or antitrust matters has not been satisfied on or prior to June 1, 2015, and all of the other conditions to the effective time of the merger have been satisfied or waived by the party entitled to the benefit of that condition on or prior to the June 1, 2015 (other than those conditions that by their terms contemplate satisfaction at the closing of the merger, if such conditions can be satisfied at such time), either Cypress or Spansion may elect to extend the termination date to September 1, 2015; and in the event that one or more conditions relating to effectiveness of the registration statement and/or antitrust matters has not been satisfied on or prior to September 1, 2015, and all of the other conditions to the effective time of the merger have been satisfied or waived by the party entitled to the benefit of such condition on or prior to the September 1, 2015 (other than those conditions that by their terms contemplate satisfaction at the closing of the merger, if such conditions can be satisfied at such time), either Cypress or Spansion can extend the termination date to December 1, 2015; except that the right to terminate the merger agreement pursuant to this paragraph will not be available to any party whose action or failure to fulfill any covenant or obligation under the merger agreement has been the proximate cause of, or resulted in, any of the conditions to the effective time of the merger having failed to be satisfied or fulfilled on or prior to the termination date, as applicable and as may be extended, and such action or failure to fulfill any covenant or obligation constitutes a material breach of the merger agreement;

by either Cypress or Spansion if its stockholders or the other party's stockholders have voted against the approval of the merger, or against the issuance of the shares of Cypress common stock as required by the transactions contemplated by the merger agreement, as applicable;

by either Cypress or Spansion (if it is not then in material breach of any of its covenants and obligations under the merger agreement) in the event of (1) a breach of any covenant or obligation set forth in the merger agreement by the other party or (2) any inaccuracy in any of the representations and warranties of the other party such that the conditions to the effective time of the merger would not be satisfied as of the time of such breach or as of the time such representation and warranty became inaccurate (except that if such breach or inaccuracy is curable through the exercise of commercially reasonable efforts by the party committing the breach or making the inaccurate representations and warranties, then the party seeking to terminate the merger agreement pursuant to this paragraph will not be permitted to terminate the merger agreement pursuant to this paragraph until the expiration of a 30 calendar day period after delivery of written notice of such breach or inaccuracy to the party committing the breach or making the inaccurate representations and warranties); or

by either Cypress or Spansion in the event that a triggering event has occurred with respect to the other party, whether promptly after the triggering event or at any time thereafter.

-106-

Table of Contents

A triggering event will be deemed to have occurred with respect to a party if:

such party has willfully or intentionally breached its nonsolicitation obligations, its obligations to call and hold its stockholders meetings, or its obligations in respect of its recommendation of the merger in any material respect (whether or not resulting in the receipt of an acquisition proposal);

such party has failed to include its board recommendation in this joint proxy statement/prospectus;

the board (or any committee thereof) of such party has for any reason changed its recommendation;

such party, its board, or any committee thereof has for any reason approved, or recommended that its stockholders approve, any acquisition proposal or acquisition transaction other than the transactions contemplated by the merger agreement (whether or not a superior proposal);

an acquisition proposal (whether or not a superior proposal) has been made in respect of a party by a person unaffiliated with the other party and, within 10 business days after notice of that acquisition proposal is first published, sent or given to such party's stockholders, and, if requested by the other party hereto, that party has not sent to its stockholders, pursuant to Rule 14e-2 under the Securities Exchange Act of 1934, a statement unconditionally reaffirming the board's recommendation of the merger and the transaction contemplated by the merger agreement, and unconditionally recommending that its stockholders reject such acquisition proposal and not tender any shares of its capital stock into such acquisition proposal if made in the form of a tender or exchange offer; or

except for the confidentiality agreement required by the merger agreement as a pre-condition to taking any actions with respect to an unsolicited proposal, such party has entered into a letter of intent, memorandum of understanding or other contract accepting any acquisition proposal or acquisition transaction (whether or not a superior proposal).

Termination Fees and Expenses

Under the terms of the merger agreement, Spansion must pay a termination fee of \$60 million to Cypress due to termination of the merger agreement:

if (1) following the execution and delivery of the merger agreement and before the Spansion stockholder meeting described in the merger agreement, an acquisition proposal in respect of Spansion has been made to Spansion or the Spansion board, or has been directly communicated or otherwise made known to Spansion's stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal for Spansion, (2) the merger agreement is terminated by Cypress for Spansion's failure to consummate the merger before the termination date (as may be extended) or Spansion's stockholders do not

approve the merger agreement (or if the merger agreement can be terminated by Cypress for those reasons and Spansion terminates the merger agreement for another reason), and (3) within 12 months following the termination of the merger agreement, either any acquisition transaction in respect of Spansion is consummated or Spansion enters into a letter of intent, memorandum of understanding or other contract contemplating or providing for any acquisition transaction in respect of Spansion and that acquisition transaction is ultimately consummated (whether or not during that 12 month period); except that for this paragraph all references to 15% in the definition of acquisition transaction will be replaced by 50%;

if (1) following the execution and delivery of the merger agreement and before the breach forming the basis of the termination contemplated by the following clause (2), an acquisition proposal in respect of Spansion has been made to Spansion or the Spansion board, or has been directly communicated or otherwise made known to Spansion's stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal in respect of Spansion, (2) Cypress terminates the merger agreement (to the extent permitted by the merger agreement) for any intentional breach of any

Table of Contents

covenant or obligation set forth in the merger agreement by Spansion, or any intentional breach or inaccuracy in any of the representations and warranties of Spansion in the merger agreement that causes the applicable condition not to be satisfied (or after any such intentional breach or inaccuracy occurs, and the merger agreement becomes terminable for such breach or inaccuracy as a result, Spansion terminates the merger agreement for another reason), and (3) within 12 months following the termination of the merger agreement, either any acquisition transaction in respect of Spansion is consummated or Spansion enters into a letter of intent, memorandum of understanding or other contract contemplating or providing for any acquisition transaction in respect of Spansion and that same acquisition transaction is ultimately consummated (whether or not during the 12 month period); except that for the purposes of this paragraph all references to 15% in the definition of acquisition transaction will be replaced by 50%; or

if Cypress terminates the merger agreement because a triggering event has occurred with respect to Spansion (or after a triggering event occurs with respect to Spansion, and the merger agreement becomes terminable pursuant the terms of the merger agreement as a result, Spansion terminates the merger agreement for another reason); except that the fee contemplated by this paragraph will not be payable if the Spansion board has changed its recommendation (or the Spansion board has recommended or approved an acquisition transaction or acquisition proposal other than the merger, or an acquisition proposal has been made in respect of Spansion and after a request by Cypress the Spansion board has not unconditionally reaffirmed its recommendation in favor of the merger) at least 10 business days prior to the Spansion stockholder meeting relating to the merger, Cypress does not terminate the merger agreement due to a triggering event within five days thereafter and afterwards Spansion obtains the required approval of its stockholders at the Spansion stockholder meeting.

Spansion will reimburse Cypress for its documented out-of-pocket expenses actually incurred in connection with the merger agreement and not to exceed \$5 million if (1) following the execution and delivery of the merger agreement and before the Spansion stockholder meeting at which a vote is taken on the approval of the merger by the Spansion stockholders, an acquisition proposal in respect of Spansion has been made to Spansion or the Spansion board, or has been directly communicated or otherwise made known to Spansion's stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal in respect of Spansion, and (2) the merger agreement is terminated by Cypress for the failure of the Spansion stockholders to approve the merger (or after the Spansion stockholder meeting has been held and a vote taken on merger and there has been a failure to obtain the approval of the Spansion stockholders for the merger, and the merger agreement becomes terminable for that reason, Spansion terminates the merger agreement for another reason); except that for purposes of this paragraph all references to 15% in the definition of acquisition transaction shall be replaced by 50%. If Spansion is required to reimburse Cypress expenses and the \$60 million termination fee subsequently becomes payable by Spansion, the \$60 million termination fee will be reduced by the amount of expenses Spansion previously reimbursed.

In no case will Spansion have to pay any termination fee more than once.

Under the terms of the merger agreement, Cypress must pay a fee of \$60 million to Spansion due to termination of the merger agreement:

if (1) following the execution and delivery of the merger agreement and before the Cypress stockholder meeting described in the merger agreement, an acquisition proposal in respect of Cypress has been made to Cypress or the Cypress board, or has been directly communicated or otherwise made known to Cypress

stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal for Cypress, (2) the merger agreement is terminated by Spansion for Cypress failure to consummate the merger before the termination date (as may be extended) or Cypress stockholders do not approve the issuance of the Cypress common stock as provided in the merger

-108-

Table of Contents

agreement (or if the merger agreement can be terminated by Spansion for those reasons and Cypress terminates the merger agreement for another reason), and (3) within 12 months following the termination of the merger agreement, either any acquisition transaction in respect of Cypress is consummated or Cypress enters into a letter of intent, memorandum of understanding or other contract contemplating or providing for any acquisition transaction in respect of Cypress and that acquisition transaction is ultimately consummated (whether or not during that 12 month period); except that for this paragraph all references to 15% in the definition of acquisition transaction will be replaced by 50%;

if (1) following the execution and delivery of the merger agreement and before the breach forming the basis of the termination contemplated by the following clause (2), an acquisition proposal in respect of Cypress has been made to Cypress or the Cypress board, or has been directly communicated or otherwise made known to Cypress stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal in respect of Cypress, (2) Spansion terminates the merger agreement (to the extent permitted by the merger agreement) for any intentional breach of any covenant or obligation set forth in the merger agreement by Cypress, or any intentional breach or inaccuracy in any of the representations and warranties of Cypress in the merger agreement that causes the applicable condition not to be satisfied (or after any such intentional breach or inaccuracy occurs, and the merger agreement becomes terminable for such breach or inaccuracy as a result, Cypress terminates the merger agreement for another reason), and (3) within 12 months following the termination of the merger agreement, either any acquisition transaction in respect of Cypress is consummated or Cypress enters into a letter of intent, memorandum of understanding or other contract contemplating or providing for any acquisition transaction in respect of Cypress and that same acquisition transaction is ultimately consummated (whether or not during the 12 month period); except that for the purposes of this paragraph all references to 15% in the definition of acquisition transaction will be replaced by 50%; or

if Spansion terminates the merger agreement because a triggering event has occurred with respect to Cypress (or after a triggering event occurs with respect to Cypress, and the merger agreement becomes terminable pursuant the terms of the merger agreement as a result, Cypress terminates the merger agreement for another reason); except that the fee contemplated by this paragraph will not be payable if the Cypress board has changed its recommendation (or the Cypress board has recommended or approved an acquisition transaction or acquisition proposal other than the merger, or an acquisition proposal has been made in respect of Cypress and after a request by Spansion the Cypress board has not unconditionally reaffirmed its recommendation in favor of the merger) at least 10 business days prior to the Cypress stockholder meeting relating to the merger, Spansion does not terminate the merger agreement due to a triggering event within five days thereafter, and afterwards Cypress obtains the required approval of its stockholders at the Cypress stockholder meeting.

Cypress will reimburse Spansion for its documented out-of-pocket expenses actually incurred in connection with the merger agreement and not to exceed \$5 million if (1) following the execution and delivery of the merger agreement and before the Cypress stockholder meeting at which a vote is taken on the issuance of the shares of Cypress common stock as provided in the merger by the Cypress stockholders, an acquisition proposal in respect of Cypress has been made to Cypress or the Cypress board, or has been directly communicated or otherwise made known to Cypress stockholders, or has been publicly announced or become publicly known, or any person has publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an acquisition proposal in respect of Cypress, and (2) the merger agreement is terminated by Spansion for the failure of the Cypress stockholders to approve the merger (or after the Cypress stockholder meeting has been held and a vote taken on merger and there has

been a failure to obtain the approval of the Cypress stockholders for the merger, and the merger agreement becomes terminable for that reason, Cypress terminates the merger agreement for another reason); except that for purposes of this paragraph all references to 15% in the definition of acquisition transaction shall be replaced by 50%. If Cypress is required to reimburse Spansion's expenses and

-109-

Table of Contents

the \$60 million termination fee subsequently becomes payable by Cypress, the \$60 million termination fee will be reduced by the amount of expenses Cypress previously reimbursed.

In no case will Cypress have to pay any termination fee more than once.

Expenses Generally

Except as provided above, all fees and expenses incurred in connection with the merger will be generally be paid by the party incurring the fees or expenses, whether or not the merger is completed; provided however, that all fees and expenses (other than legal fees and expenses) incurred in connection with the preparation, printing and filing, as applicable, of the registration statement, this joint proxy statement/prospectus, and all filings by Cypress and Spansion under the Hart-Scott-Rodino Act or any similar filing requirement of any governmental authority applicable to the merger agreement and the transactions contemplated hereby, shall be shared equally (i.e., 50%/50%) by Cypress and Spansion at the time any such fees, costs and expenses become due and payable.

Support Agreements

Simultaneously with the execution and delivery of the merger agreement, each of the executive officers and directors of Cypress, in their respective capacities as stockholders of Cypress, entered into support agreements with Spansion, pursuant to which such individuals agreed, among other things, to vote their respective shares of common stock of Cypress in favor of the approval of the issuance of shares of Cypress common stock pursuant to the merger agreement, against any acquisition proposal and against any action or agreement that would reasonably be expected to impede, interfere with, postpone, prevent or delay the consummation of, the transactions contemplated by the merger agreement; provided, however, that notwithstanding the foregoing, such support agreements will not impair the right or ability of such individuals to exercise his or her fiduciary duties in his or her capacity as a director of Cypress.

As of December 1, 2014, the persons signing the Cypress support agreements beneficially owned an aggregate of approximately 10.31% of the outstanding Cypress common stock.

Simultaneously with the execution and delivery of the merger agreement, each of the executive officers and directors of Spansion, in their respective capacities as stockholders of Spansion, entered into support agreements with Cypress, pursuant to which such individuals have agreed, among other things, to vote their respective shares of common stock of Spansion for the approval and adoption of the merger agreement, against any acquisition proposal and against any action or agreement that would reasonably be expected to impede, interfere with, postpone, prevent or delay the consummation of, the transactions contemplated by the merger agreement; provided, however, that notwithstanding the foregoing, such support agreements will not impair the right or ability of such individuals to exercise his or her fiduciary duties in his or her capacity as a director of Spansion.

As of December 1, 2014, the persons signing the Spansion support agreements beneficially owned an aggregate of approximately 5.41% of the outstanding Spansion common stock.

Material United States Federal Income Tax Consequences of the Merger

The following summary discusses the material United States federal income tax consequences of the merger to Spansion stockholders. The following discussion is based on existing provisions of the Internal Revenue Code, existing treasury regulations and current administrative rulings and court decisions, all of which are subject to change, possibly with retroactive effect, and to differing interpretations.

This summary does not discuss all United States federal income tax considerations that may be relevant to a particular stockholder in light of his or her personal circumstances or to stockholders subject to special treatment under the federal income tax laws, including:

dealers in securities or foreign currencies;

stockholders who are subject to the alternative minimum tax provisions of the Internal Revenue Code;

-110-

Table of Contents

tax-exempt organizations;

non-United States persons or entities;

financial institutions or insurance companies;

stockholders who acquired Spansion common stock in connection with stock option or stock purchase plans or in other compensatory transactions;

stockholders that own more than five percent of the outstanding stock of Spansion; or

stockholders who hold Spansion common stock as part of an integrated investment, including a straddle, comprised of shares of Spansion common stock and one or more other positions.

In addition, this summary does not discuss the tax consequences of the merger under foreign, state or local tax law or the application of the federal tax on net investment income. This discussion assumes that Spansion stockholders hold their shares of Spansion common stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code (generally, as property held as an investment).

Accordingly, Spansion stockholders should consult their tax advisors as to the specific tax consequences of the merger, including any applicable federal, state, local and foreign tax consequences.

Based on factual representations contained in letters provided by Cypress and Spansion, and on certain customary factual assumptions, all of which must continue to be true and accurate as of the effective time of the merger, counsel to each of Cypress and Spansion has delivered its opinion (attached as exhibits 8.1 and 8.2, respectively, to the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part) that the merger will qualify as a reorganization for United States federal income tax purposes within the meaning of Section 368(a) of the Internal Revenue Code and that the following material United States federal income tax consequences will result from such qualification:

Spansion stockholders will not recognize any gain or loss upon the receipt of Cypress common stock in exchange for Spansion common stock in connection with the merger, except for cash received instead of a fractional share of Cypress common stock;

the aggregate tax basis of the Cypress common stock received by a Spansion stockholder in connection with the merger will be equal to the aggregate tax basis of the Spansion common stock surrendered in exchange for Cypress common stock (excluding the portion of the stockholder's basis that is allocable to a deemed fractional share of Cypress common stock for which the stockholder will receive cash in lieu of such fractional share);

the holding period of the Cypress common stock received by a Spansion stockholder in connection with the merger will include the holding period of the Spansion common stock surrendered in connection with the merger;

cash payments received by a Spansion stockholder for a fractional share of Cypress common stock will be treated as if such fractional share had been issued in connection with the merger and then redeemed by Cypress, and Spansion stockholders will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the amount of cash received and the tax basis in such fractional share; and

Cypress, Mustang Acquisition Corporation and Spansion will not recognize gain or loss as a result of the merger.

The completion of the merger is conditioned upon the delivery of an opinion by each of Wilson Sonsini Goodrich and Rosati and Fenwick and West that the merger will constitute a reorganization for United States federal income tax purposes within the meaning of Section 368(a) of the Internal Revenue Code. These opinions will be based on updated representation letters to be provided by Cypress and Spansion at the time of the completion of the merger, and on customary factual assumptions.

Table of Contents

Neither Cypress nor Spansion will request a ruling from the Internal Revenue Service regarding the tax consequences of the merger to Spansion stockholders. The opinions of counsel do not bind the Internal Revenue Service or courts of law and thus do not prevent the Internal Revenue Service from asserting a contrary position, or a court from upholding any such assertion. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the tax consequences of the merger and the validity of the opinions could be adversely affected.

Certain stockholders may be subject to information reporting with respect to the cash received in lieu of a fractional share of Cypress common stock. U.S. holders who are subject to information reporting and who do not provide appropriate information when requested may also be subject to backup withholding. Any amount withheld under such rules is not an additional tax and may be refunded or credited against such U.S. holders' federal income tax liability, provided that the required information is properly furnished in a timely manner to the Internal Revenue Service.

Accounting Treatment of the Merger

Each of Cypress and Spansion prepares its financial statements in accordance with GAAP. The merger will be accounted for using the acquisition method of accounting with Cypress treated as the acquiror of Spansion for accounting purposes. This means that the assets, liabilities and commitments of Spansion, the accounting acquiree, are adjusted to their estimated fair value at the acquisition date. Under the acquisition method of accounting, definite-lived intangible assets are amortized over their remaining useful lives. Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually.

Financial statements of Cypress issued after the merger will reflect only the operations of Spansion after the merger and will not be restated retroactively to reflect the historical financial position or results of operations of Spansion.

All unaudited pro forma condensed combined financial information contained in this proxy statement/prospectus were prepared using the acquisition method of accounting. The final allocation of the purchase price will be determined after the merger is completed and after completion of an analysis to determine the fair value of Spansion's assets and liabilities. Accordingly, the final acquisition accounting adjustments may be materially different from the unaudited pro forma adjustments. Any decrease in the fair value of the assets or increase in the fair value of the liabilities of Spansion as compared to the unaudited pro forma condensed combined financial information included in this proxy statement/prospectus will have the effect of increasing the amount of the purchase price allocable to goodwill.

Regulatory Filings and Approvals Required to Complete the Merger

The merger is subject to review by the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Under this statute, Cypress and Spansion are required to make pre-merger notification filings and await the expiration or early termination of the statutory waiting period prior to completing the merger. Each of Cypress and Spansion completed the initial Hart-Scott-Rodino filing on December 16, 2014, but the applicable waiting period has not yet expired or terminated. The merger is also subject to review by foreign governmental authorities and requires pre-merger notification and the observance of an applicable waiting period in certain countries, including Germany and Japan. Cypress and Spansion have determined such approval is not required in China. Cypress and Spansion completed the initial pre-merger notification required in Germany on December 17, 2014, but have not yet filed such other foreign pre-merger notifications, and the applicable waiting periods, including with respect to Germany, have not yet expired.

There can be no assurance that such governmental authorities will permit the applicable statutory waiting periods to expire, terminate the applicable statutory waiting periods or clear the merger at all or without restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. These restrictions and conditions could include a complete or partial license, divestiture, spin-off or

-112-

Table of Contents

the holding separate of assets or businesses. No additional stockholder approval is expected to be required for any decision by Cypress or Spansion to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods and clearance of the merger, and even after completion of the merger, either the Antitrust Division of the United States Department of Justice, the Federal Trade Commission, or other governmental authorities could challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest. Other competition agencies with jurisdiction over the merger could also initiate action to challenge or block the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Cypress and Spansion cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Cypress and/or Spansion will prevail.

Listing of Shares of Cypress Common Stock Issued in the Merger on the Nasdaq Global Select Market

Cypress will use its reasonable best efforts to have authorized for listing on the Nasdaq Global Select Market prior to the effective time of the merger, upon official notice of issuance, the shares of Cypress common stock issuable in the merger pursuant to the merger agreement, the shares of Cypress common stock issuable upon the exercise of all assumed Spansion options and the shares of Cypress common stock issuable in respect of all assumed Spansion restricted stock and performance stock units, and any shares of Cypress common stock issuable upon exchange of Spansion's exchangeable 2.00% senior notes at and after the effective time of the merger.

Delisting and Deregistration of Spansion Common Stock After the Merger

Following the effective time of the merger, Spansion common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934.

Registration of Shares of Cypress Common Stock Received in the Merger

The shares of Cypress common stock to be issued in connection with the merger will be registered under the Securities Act of 1933 and will be freely transferable. The resale restrictions in Rule 145(d) that could be applicable to persons specified in Rule 145(c) are not applicable to persons receiving stock in the merger.

No Appraisal Rights

Neither Cypress stockholders nor Spansion stockholders are entitled to appraisal rights for their shares under the Delaware General Corporation Law in connection with the merger.

Table of Contents

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined balance sheet as of September 28, 2014 is presented as if the proposed merger had occurred as of September 28, 2014. The unaudited pro forma condensed combined statements of operations for the nine months ended September 28, 2014 and the year ended December 29, 2013 is presented as if the merger had occurred on December 31, 2012. The pro forma consolidated financial statements of Cypress and Spansion have been adjusted to reflect certain reclassifications in order to conform to Cypress' financial statement presentation and the presentation of the combined company.

The unaudited pro forma condensed combined financial statements give effect to the merger under the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standard Topic 805, Business Combinations, which we refer to as ASC 805, with Cypress treated as the acquirer. As of the date of this filing, Cypress has not completed the detailed valuation work necessary to arrive at the required estimates of the fair value of the Spansion assets to be acquired and the liabilities to be assumed and the related allocation of purchase price, nor has it identified all adjustments necessary to conform Spansion's accounting policies to Cypress' accounting policies. A final determination of the fair value of Spansion's assets and liabilities, including intangible assets with both indefinite or finite lives, will be based on the actual net tangible and intangible assets and liabilities of Spansion that exist as of the closing date of the merger and, therefore, cannot be made prior to the completion of the merger. In addition, the value of the consideration to be paid by Cypress upon the consummation of the merger will be determined based on the closing price per share of Cypress common stock on the closing date of the merger. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. The preliminary pro forma adjustments have been made solely for the purpose of presenting the unaudited pro forma condensed combined financial statements. Cypress estimated the fair value of Spansion's assets and liabilities as of September 28, 2014 based on discussions with Spansion's management, preliminary valuation studies, due diligence and information presented in Spansion's public filings. Until the merger is completed, both companies are limited in their ability to share certain information. Therefore, information necessary for the complete valuation is not currently available and, accordingly, management has used its best estimates based upon information currently available. Upon completion of the merger, final valuations will be performed based on the actual net tangible and intangible assets of Spansion that will exist on the date of the merger. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation presented herein, and this difference may be material.

Assumptions and estimates underlying the unaudited adjustments to the pro forma condensed combined financial statements are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial statements. The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are: (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results of Cypress and Spansion following the merger.

In connection with the plan to integrate the operations of Cypress and Spansion, Cypress anticipates that non-recurring charges, such as costs associated with systems implementation, relocation expenses, severance, compensation charges under change of control agreements with certain employees and other costs related to exit or disposal activities, will be incurred. Cypress is not able to determine the timing, nature and amount of these charges as of the date of this joint proxy statement/prospectus. However, these charges could affect the combined results of operations of Cypress and Spansion, as well as those of the combined company following the merger, in the period in which they are recorded. The unaudited pro forma condensed combined financial statements do not include the effects of the costs associated with any restructuring or integration activities resulting from the transaction, as they are non-recurring in nature and

not factually supportable at the time that the unaudited pro forma condensed combined financial statements were prepared. Additionally, these adjustments do not give effect to any synergies that may be realized as a result of the merger, nor do they give effect to any nonrecurring or unusual restructuring charges that may be incurred as a result of the integration of the two companies.

-114-

Table of Contents

In addition, on August 1, 2013, Spansion completed its acquisition of the Microcontroller and Analog semiconductor business, which we refer to as the AM Business, of Fujitsu Semiconductor Limited, which we refer to as FSL. Pursuant to the terms and conditions of the Stock Purchase Agreement with FSL, Spansion acquired certain subsidiaries and assets and assumed certain liabilities of FSL for purposes of acquiring FSL's business of designing, developing, marketing and selling microcontroller and analog semiconductor products.

The acquisition of the AM Business was accounted for using the acquisition method of accounting in accordance with ASC 805. Under the acquisition method of accounting, the total purchase price was allocated to the net tangible and intangible assets of the AM Business acquired in connection with a stock purchase agreement, based on the fair values as of the completion of the acquisition by Spansion.

The unaudited pro forma condensed combined statement of operations of Spansion for the year ended December 29, 2013 is presented as if the acquisition of the AM Business was consummated on December 31, 2012. Given the acquisition was completed on August 1, 2013, the results of the AM Business are already included in the Spansion condensed consolidated statement of operations for the nine months ended September 28, 2014 and the consolidated balance sheet as of September 28, 2014.

Assumptions underlying the unaudited adjustments to the pro forma condensed combined financial statement of operations of the AM Business are described in the accompanying notes, which should be read in conjunction with the historical combined abbreviated financial statements of the AM Business incorporated by reference herein. The Spansion historical consolidated statement of operations have been adjusted in the unaudited pro forma condensed combined statement of operations to give effect to pro forma events that are: (1) directly attributable to the acquisition; (2) factually supportable; and (3) expected to have a continuing impact on the combined results of Spansion and the AM Business following the August 2013 acquisition.

The unaudited pro forma condensed combined financial statements have been presented for illustrative purposes only and are not necessarily indicative of the operating results and financial position that would have been achieved had the merger with Spansion and acquisition of the AM Business by Spansion occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial statements do not purport to project the future combined operating results or financial position of Cypress and Spansion following the merger and acquisition.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical financial statements and accompanying notes of Cypress and Spansion and the historical combined abbreviated financial statements of the AM Business, which have been incorporated by reference in this joint proxy statement/prospectus, as well as other information contained or incorporated by reference into this joint proxy statement/prospectus.

Table of Contents**Unaudited Pro Forma Condensed Combined Balance Sheet of Cypress Semiconductor Corporation and Spansion Inc.****(in thousands, except par value and share amounts)****(Unaudited)**

| | Historical | | | | |
|---|----------------------|----------------------|--------------------|-----------------|------------------|
| | Cypress | Spansion | Pro | | Pro Forma |
| | Semiconductor | Inc. | Forma | | Combined |
| | Corporation | September 28, | Adjustments | Footnote | |
| | September 28, | September 28, | (Note 5) | | |
| | 2014 | 2014 | | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 105,084 | \$ 281,991 | \$ | | \$ 387,075 |
| Short-term investments | 15,293 | 44,778 | | | 60,071 |
| Accounts receivable, net | 105,853 | 164,933 | | | 270,786 |
| Inventories | 88,790 | 269,267 | 76,921 | (a) | 434,978 |
| Other current assets | 29,094 | 65,436 | | | 94,530 |
| Total current assets | 344,114 | 826,405 | 76,921 | | 1,247,440 |
| Property, plant and equipment, net | 244,298 | 189,266 | 228,260 | (b) | 661,824 |
| Goodwill | 65,696 | 166,334 | 1,012,196 | (d) | 1,244,226 |
| Intangible assets, net | 35,274 | 140,835 | 673,635 | (c) | 849,744 |
| Other long-term assets | 87,727 | 61,456 | | | 149,183 |
| Total assets | \$ 777,109 | \$ 1,384,296 | \$ 1,991,012 | | \$ 4,152,417 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 33,462 | \$ 153,785 | \$ | | \$ 187,247 |
| Accrued compensation and employee benefits | 36,310 | 44,441 | | | 80,751 |
| Deferred margin on sales to distributors | 134,726 | 37,745 | | | 172,471 |
| Dividends payable | 17,727 | | | | 17,727 |
| Income taxes payable | 3,023 | 486 | | | 3,509 |
| Current portion of long-term debt | 5,601 | 22,285 | | | 27,886 |
| Other current liabilities | 73,774 | 149,048 | 65,369 | (e) | 288,191 |
| Total current liabilities | 304,623 | 407,790 | 65,369 | | 777,782 |
| Deferred income taxes and other tax liabilities | 19,018 | 24,796 | | | 43,814 |
| Long-term revolving credit facility and debt, non current | 238,532 | 387,284 | 7,465 | (g) | 633,281 |
| Other long-term liabilities | 10,129 | 30,506 | | | 40,635 |

| | | | | | |
|--|-------------|--------------|--------------|----------|--------------|
| Total liabilities | 572,302 | 850,376 | 72,834 | | 1,495,512 |
| Commitments and contingencies | | | | | |
| Equity | | | | | |
| Preferred stock | | | | | |
| Common stock | 3,027 | 62 | 1,648 | (f) | 4,737 |
| Additional paid-in capital | 2,681,923 | 786,667 | 1,729,090 | (f), (g) | 5,197,680 |
| Accumulated other comprehensive loss | (204) | (251,275) | 251,275 | (f) | (204) |
| Accumulated deficit | (383,416) | (1,534) | (63,835) | (f), (e) | (448,785) |
| Stockholders equity before treasury stock | 2,301,330 | 533,920 | 1,918,178 | | 4,753,429 |
| Less: shares of common stock held in treasury, at cost | (2,090,494) | | | | (2,090,494) |
| Total stockholders equity | 210,836 | 533,920 | 1,918,178 | | 2,662,935 |
| Noncontrolling interests | (6,029) | | | | (6,029) |
| Total equity | 204,807 | 533,920 | 1,918,178 | | 2,656,906 |
| Total liabilities and equity | \$ 777,109 | \$ 1,384,296 | \$ 1,991,012 | | \$ 4,152,417 |

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations of Cypress Semiconductor Corporation and Spansion Inc.**

| | Historical | | Analog Semiconductor and Microcontroller (AM) Products Business of Fujitsu Semiconductor Ltd | | Pro Form Adjustments relating to AM business acquisition (Note 5) Footnote | | Pro Form Adjustments relating to the merger (Note 5) Footnote | | Pro Form Combined-Cypress Semiconductor and Spansion Inc. |
|--|---|---|---|---|---|---|--|---|--|
| | Cypress Semiconductor Corporation | Spansion Inc. | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | Ltd For December 30, 2012 through July 31, 2013 | Pro form Combined -Spansion Inc | | | |
| | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 | For the Year Ended December 29, 2013 |
| | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 |
| | (in thousands, except par value and share amounts) | | | | | | | | |
| Revenues | \$ 722,693 | \$ 971,690 | \$ 289,531 | \$ | | \$ 1,261,221 | \$ | | \$ 1,983,914 |
| Cost and expenses: | | | | | | | | | |
| Cost of revenues | 384,121 | 687,037 | 262,705 | (29,772) | (E) | 919,970 | 107,998 | (B), (a) | 1,412,089 |
| Research and development | 190,906 | 126,768 | 33,095 | (1,287) | (E) | 158,576 | (2,797) | (B) | 346,685 |
| Selling, general and administrative | 182,671 | 178,265 | 114,205 | (11,421) | (E) | 281,049 | 127 | (B) | 463,847 |
| Amortization of acquisition-related intangible assets | 7,833 | 32,025 | | 8,093 | (D) | 40,118 | 96,925 | (A) | 144,876 |
| Restructuring costs | 15,357 | 6,017 | | | | 6,017 | | | 21,374 |
| Total costs and expenses | 780,888 | 1,030,112 | 410,005 | (34,387) | | 1,405,730 | 202,253 | | 2,388,871 |
| Operating loss | (58,195) | (58,422) | (120,474) | 34,387 | | (144,509) | (202,253) | | (404,957) |
| Interest and other income (expense), net | 10,337 | 4,406 | | (8,698) | (F) | (4,292) | | | 6,045 |
| Interest expense | (8,112) | (29,792) | | | | (29,792) | | | (37,904) |
| Gain on acquisition of the Microcontroller and Analog business | | 7,950 | | 255 | | 8,205 | | | 8,205 |

| | | | | | | | |
|---|-------------|-------------|--------------|-----------|--------------|--------------|--------------|
| Loss before income taxes and noncontrolling interest | (55,970) | (75,858) | (120,474) | 25,944 | (170,388) | (202,253) | (428,611) |
| Income tax provision (benefit) | (7,761) | 2,410 | | 5,317 | (G) 7,727 | (C) | (34) |
| Net loss | (48,209) | (78,268) | (120,474) | 20,627 | (178,115) | (202,253) | (428,577) |
| Adjust for net loss attributable to noncontrolling interests net of taxes | 1,845 | | | | | | 1,845 |
| Net loss attributable to common stockholders | \$ (46,364) | \$ (78,268) | \$ (120,474) | \$ 20,627 | \$ (178,115) | \$ (202,253) | \$ (426,732) |
| Net loss per share attributable to common stockholders | | | | | | | |
| Basic | \$ (0.31) | \$ (1.34) | \$ | \$ | \$ (3.04) | | \$ (1.34) |
| Diluted | \$ (0.31) | \$ (1.34) | \$ | \$ | \$ (3.04) | | \$ (1.34) |
| Shares used in net loss per share calculation | | | | | | | |
| Basic | 148,558 | 58,599 | | | 58,599 | 112,410 (f) | 319,567 |
| Diluted | 148,558 | 58,599 | | | 58,599 | 112,410 (f) | 319,567 |

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations of Cypress Semiconductor Corporation and Spansion Inc.**

| | Historical Cypress Semiconductor Corporation For the Nine Months Ended September 28, 2014 | | | | | Spansion Inc. For the Nine Months Ended September 28, 2014 | Pro Forma Adjustments (Note 5) | Footnote | Pro Forma Combined |
|---|--|----|----------|----|----------|---|---|-----------------|-----------------------------------|
| | (in thousands, except par value and share amounts) | | | | | | | | |
| Revenues | \$ 541,400 | \$ | 942,346 | \$ | | | | | 1,483,746 |
| Cost and expenses: | | | | | | | | | |
| Cost of revenues | 271,425 | | 631,830 | | 21,645 | (B) | | | 924,900 |
| Research and development | 124,883 | | 126,505 | | (3,234) | (B) | | | 248,154 |
| Selling, general and administrative | 125,787 | | 177,169 | | (1,351) | (B) | | | 301,605 |
| Amortization of acquisition-related intangible assets | 5,334 | | 27,034 | | 75,749 | (A) | | | 108,117 |
| Restructuring costs | (1,252) | | | | | | | | (1,252) |
| Total costs and expenses | 526,177 | | 962,538 | | 92,809 | | | | 1,581,524 |
| Operating income (loss) | 15,223 | | (20,192) | | (92,809) | | | | (97,778) |
| Interest and other income (expense), net | 3,322 | | 1,794 | | | | | | 5,116 |
| Interest expense | (4,424) | | (18,214) | | | | | | (22,638) |
| Income (loss) before income taxes and noncontrolling interest | 14,121 | | (36,612) | | (92,809) | | | | (115,300) |
| Income tax provision (benefit) | (2,987) | | 8,703 | | | (C) | | | 5,716 |
| Equity in net loss equity method investees | (3,666) | | | | | | | | (3,666) |
| Net income (loss) | 13,442 | | (45,315) | | (92,809) | | | | (124,682) |
| Adjust for net loss attributable to noncontrolling interests net of taxes | 991 | | | | | | | | 991 |
| Net income (loss) attributable to common stockholders | \$ 14,433 | \$ | (45,315) | \$ | (92,809) | | | | \$ (123,691) |
| Net income (loss) per share attributable to common stockholders | | | | | | | | | |
| Basic | \$ 0.09 | \$ | (0.75) | | | | | | \$ (0.38) |
| Diluted | \$ 0.09 | \$ | (0.75) | | | | | | \$ (0.38) |
| Shares used in net income (loss) per share calculation | | | | | | | | | |

| | | | | | |
|---------|---------|--------|---------|-----|---------|
| Basic | 157,594 | 60,705 | 110,304 | (f) | 328,603 |
| Diluted | 166,000 | 60,705 | 110,304 | (f) | 328,603 |

The accompanying notes are an integral part of these condensed consolidated financial statements

-118-

Table of Contents

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

1. Basis of Presentation

Merger Agreement with Spansion

The merger is reflected in the unaudited pro forma condensed combined financial statements under the acquisition method in accordance with ASC 805, with Cypress treated as the acquirer. Under the acquisition method, the total estimated purchase price allocation is calculated as described in Note 3. In accordance with ASC 805, the assets acquired and the liabilities assumed have been measured at fair value based on various preliminary estimates, and these estimates are subject to change pending further review of the fair value of assets acquired and liabilities assumed. The final amounts recorded for the merger may differ materially from the information presented herein.

The unaudited pro forma condensed combined financial statements were prepared in accordance with GAAP and pursuant to Securities and Exchange Commission Regulation S-X Article 11, and present the pro forma financial position and results of operations of the combined companies based upon the historical information after giving effect to the merger and adjustments described in these Notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined balance sheet is presented as if the merger had occurred on September 28, 2014; and the unaudited pro forma condensed combined statements of operations for the nine months ended September 28, 2014 and the year ended December 29, 2013 are presented as if the merger had occurred on December 31, 2012.

Cypress and Spansion have historically recorded a full valuation allowance on the majority of their deferred tax assets since it was more-likely-than not that such assets would not be realized. Following the merger, Cypress will need to assess whether a valuation allowance should be recorded on the deferred tax assets of the combined company, including those deferred tax assets that did not have an allowance in the accounts of Cypress before the merger. In accordance with the requirements of ASC 805, any change in the valuation allowance of Cypress would be reflected in the income tax provision in the reporting period that includes the business combination.

Pursuant to the terms of severance agreements of certain named executive officers, Spansion will provide cash severance and acceleration of unvested stock awards upon completion of the merger. The impact of these compensation charges has not been reflected in the unaudited pro forma condensed combined financial statements. However, these compensation charges will increase operating expenses during the period subsequent to the merger.

Certain reclassifications have been made relative to Cypress and Spansion's historical financial statements to conform to the financial statement presentation of Cypress and the combined company. Such reclassifications are described in further detail in Note 5 to the unaudited pro forma condensed combined financial statements.

Acquisition of AM Business

On August 1, 2013, Spansion completed its acquisition of the AM Business. Pursuant to the terms and conditions of the Stock Purchase Agreement with FSL, Spansion acquired certain subsidiaries and assets and assumed certain liabilities of FSL for purposes of acquiring FSL's business of designing, developing, marketing and selling, microcontroller and analog semiconductor products.

The acquisition of the AM Business by Spansion was accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the total purchase price, as described in Note 4 to these unaudited pro forma condensed combined financial statements, was allocated to the net tangible and intangible assets of the AM

Business acquired in connection with a stock purchase agreement, based on the fair values as of the completion of the acquisition by Spansion.

-119-

Table of Contents

The unaudited pro forma condensed combined statement of operations of Spansion for the year ended December 29, 2013 is presented as if the acquisition of the AM Business was consummated by Spansion on December 31, 2012. Given the acquisition was completed on August 1, 2013, the results of the AM Business are included in the Spansion condensed consolidated statement of operations for the nine months ended September 28, 2014 and the Spansion consolidated balance sheet as of September 28, 2014.

Since the AM Business was a component of FSL and was not operated as a stand-alone business, the financial statements presented for the AM business represent the business subject to the sale under the Stock Purchase Agreement, and have been derived from the financial statements and accounting records of FSL and its subsidiaries that are subject to the Stock Purchase Agreement.

FSL uses the Japanese Yen as its reporting currency. For presentation purposes, the historical financial statements of the AM Business have been translated into US dollars. Income and expense items denominated in Japanese Yen were translated at the average exchange rate for the seven months ended July 31, 2013.

2. Preliminary Estimated Purchase Price Consideration: Merger Agreement with Spansion

Subject to the terms and conditions of the merger agreement, each outstanding share of Spansion common stock will be converted into the right to receive 2.457 shares of common stock of Cypress.

The merger agreement further provides for each Spansion stock option and restricted stock award that is outstanding and unexercised at the closing date to be assumed and converted into an option or award to purchase Cypress common stock based on the 2.457 conversion ratio. Based on Spansion's stock options outstanding at September 28, 2014 and the 2.457 conversion ratio, the unaudited pro forma condensed combined financial statements present the conversion of Spansion options to purchase approximately 5.0 million shares of Spansion common stock into options to purchase approximately 12.3 million shares of Cypress common stock. In addition, the unaudited pro forma condensed consolidated financial statements also assume and convert approximately 2.8 million shares of outstanding Spansion restricted stock units (including performance-based awards) into approximately 6.8 million shares of Cypress restricted stock units (including performance-based awards), using the 2.457 conversion ratio. The estimated value of the stock options and restricted stock awards assumed and converted based on closing price of Cypress stock as of December 15, 2014 that is included in the preliminary purchase price equals the fair value of the options to purchase approximately \$96.8 million of Cypress common stock and the \$94.4 million of Cypress restricted stock awards, reduced by the portion of the respective values considered unearned compensation.

The fair values of stock options assumed were determined using a Black-Scholes valuation model with market based assumptions. The fair values of unvested Spansion stock awards will be recorded as operating expenses on a straight-line basis over the remaining service periods, while the fair values of vested options are included in the total purchase price. Option pricing models require the use of highly subjective market assumptions, including expected stock price volatility, which if changed can materially affect fair value estimates. The estimate used in the pro forma condensed combined financial statements is based upon the fair value of unvested Spansion share-based awards as of September 28, 2014. The fair value of awards exchanged will be determined based upon the Black-Scholes option pricing model on the date the merger is consummated, based upon the fair value of the Cypress common shares at that time.

The requirement to determine the final purchase price using the number of Spansion shares outstanding at the closing date and the closing price of Cypress Semiconductor's common stock as of the closing date could result in a total purchase price different from the price assumed in these unaudited pro forma condensed combined financial statements, and that difference may be material. Therefore, the estimated consideration expected to be transferred

reflected in these unaudited pro forma condensed combined financial statements does not purport to represent what the actual consideration transferred will be when the merger is completed.

-120-

Table of Contents

Cypress' closing stock price at the merger date will be a determining factor in arriving at the amount of merger consideration. Solely for purposes of these pro forma condensed combined financial statements, the stock price assumed for the total preliminary purchase price is the closing price of Cypress' common stock on NASDAQ on December 15, 2014 (\$13.85 per share), the most recent date practicable in the preparation of this joint proxy statement/prospectus.

Based on the closing price of Cypress' common stock on December 15, 2014, the total preliminary purchase price was approximately \$2.3 billion, including estimated fair values of vested Spansion stock awards assumed, and comprised of:

| | (In thousands, except exchange ratio and share price) |
|--|--|
| Estimated number of Spansion shares to be acquired | 61,820 |
| Multiplied by the conversion ratio | 2.457 |
| Number of common shares of Cypress to be issued to the holders of Spansion common stock | 151,892 |
| Multiplied by the assumed price per Cypress common share | \$ 13.85 |
| Value of share consideration | \$ 2,103,704 |
| Estimated fair value of outstanding Spansion stock awards to be exchanged for Cypress stock awards (1) | 191,138 |
| Estimated purchase price | \$ 2,294,842 |

(1) Includes stock options and restricted stock awards converted into 19.1 million shares of Cypress common stock, which vest upon the acquisition pursuant to their original grant terms

For purposes of these unaudited pro forma condensed combined financial statements, the estimated purchase price has been allocated among Spansion's tangible and intangible assets and liabilities based on their estimated fair value as of September 28, 2014. The final determination of the allocation of the purchase price will be based on the fair value of such assets and liabilities as of the date of closing of the merger. Such final determination of the purchase price allocation may be significantly different from the preliminary estimates used in these unaudited pro forma condensed combined financial statements.

An increase of 20% in the Cypress common stock price as of December 15, 2014 would increase the consideration transferred and the purchase price by approximately \$51.4 million, whereas a decrease of 20% would result in a decline of approximately \$51.2 million. Such changes would be reflected in these unaudited pro forma condensed combined financial statements as an increase or decrease to goodwill.

Table of Contents**3. Preliminary Estimated Purchase Price Allocation Merger Agreement with Spansion**

Based upon a preliminary valuation, the total estimated preliminary purchase price consideration was allocated to Spansion's assets and liabilities as follows:

| | Fair Value (\$ In thousands) |
|---|---|
| Cash and cash equivalents | \$ 281,991 |
| Short term investments | 44,778 |
| Accounts receivable, net | 164,933 |
| Inventories | 346,188 |
| Other current assets | 65,436 |
| Property, plant & equipment, net | 417,526 |
| Goodwill | 1,178,530 |
| Intangible assets, net | 814,470 |
| Other long-term assets | 61,456 |
| Total assets acquired | 3,375,308 |
| Accounts payable | (153,785) |
| Accrued compensation and benefits | (44,441) |
| Deferred margin on sales to distributors | (37,745) |
| Current portion of long term debt | (22,285) |
| Income tax payable | (486) |
| Other current liabilities | (149,048) |
| Deferred income tax and other tax liabilities | (24,796) |
| Other noncurrent liabilities | (30,506) |
| Long term debt (1) | (617,374) |
| Total liabilities assumed | (1,080,466) |
| Fair value of net assets acquired | \$ 2,294,842 |

- (1) Includes the fair value of the debt and equity components of the exchangeable 2.00% senior notes issued by Spansion. For the purpose of pro forma condensed combined financial statements, Cypress does not assume the conversion of the exchangeable 2.00% senior notes into common stock.

The final determination of the purchase price allocation will be based on the actual net tangible and intangible assets of Spansion that will exist on the date of the merger and completion of the valuation of the fair value of such net assets. Cypress anticipates that the ultimate purchase price allocation of balance sheet amounts such as current assets and liabilities (including inventory and the deferred margin on sales to distributors), property and equipment, intangible assets and long-term assets and liabilities will differ from the preliminary assessment outlined above. Any changes to the initial estimates of the fair value of the acquired assets and assumed liabilities will be recorded as adjustments to those assets and liabilities and residual amounts will be allocated to goodwill.

The compensation expense associated with the portion of the assumed and converted stock options, restricted stock and restricted stock units that are subject to future service requirements have not been included in above purchase price allocation and have not been included in the unaudited pro forma condensed combined financial statements.

4. Purchase Price Allocation Acquisition of AM Business by Spansion

On August 1, 2013, Spansion acquired the AM Business of FSL for purchase consideration of \$158.5 million (\$150.0 million, net of cash acquired). Pursuant to the terms and conditions of the Stock Purchase Agreement with FSL, Spansion acquired certain subsidiaries and assets and assumed certain liabilities of FSL for

Table of Contents

purposes of acquiring FSL's business of designing, developing, marketing and selling microcontroller and analog semiconductor products. These acquired subsidiaries are wholly owned and are located primarily in Japan and Asia. The primary reason for the acquisition was to expand Spansion's embedded market leadership and support its customer base with a broader product line including flash memory, microcontroller, mixed-signal, and analog products, and embedded system-on-chip solutions. The acquisition was accounted for using the acquisition method of accounting.

The table below represents the allocation of the purchase price to the net assets acquired based on their fair values as of August 1, 2013:

| | Fair Value (\$ In thousands) |
|--|---|
| Cash | \$ 8,595 |
| Restricted cash | 23,923 |
| Accounts receivable | 1,534 |
| Inventory | 104,300 |
| Property and equipment, net | 12,143 |
| Intangible assets | |
| Developed technology | |
| Automotive microcontrollers | 10,500 |
| Consumer microcontrollers | 5,900 |
| Analog | 12,700 |
| In-process technology | 500 |
| Customer relationships | 18,800 |
| Trademarks | 2,700 |
| Tradenames | 1,400 |
| Deferred tax liability | (3,739) |
| Japan pension related obligation | (23,923) |
| Japan employee compensation and benefits liabilities and other | (8,840) |
| Gain on acquisition of Microcontroller and Analog business | (7,950) |
| Total purchase consideration | \$ 158,543 |

The purchase price has been allocated to the assets acquired and liabilities assumed based on their fair values as of the acquisition date.

5. Preliminary Pro Forma Financial Statement Adjustments

Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:

Unaudited Pro Forma Condensed Combined Balance Sheet***Conforming Reclassifications Between Cypress and Spansion:***

The following reclassifications have been made in the presentation of Cypress' historical consolidated financial statements to conform to the combined presentation. In addition, upon completion of the merger, Cypress will further

review Spanion's accounting policies in order to conform to Cypress' accounting policies.

\$5.6 million reclassified from other current liabilities to current portion of long-term debt as of September 28, 2014.

\$11.5 million reclassified from other long-term liabilities to long-term revolving debt facility and debt, non-current, as of September 28, 2014.

-123-

Table of Contents

The following reclassifications have been made in the presentation of Spansion's historical consolidated financial statements to conform to the combined presentation:

\$9.3 million reclassified from deferred income taxes to other current assets as of September 28, 2014; and

\$19.9 million reclassified from other long-term liabilities to deferred income taxes and other tax liabilities as of September 28, 2014.

Pro Forma Adjustments Relating to the Merger of Cypress and Spansion:

- (a) To record the difference in book value and fair value of inventory acquired in the merger. The amortization of the step up in inventory is recorded within cost of sales in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 as the inventory is expected to be sold in less than one year.
- (b) To record the difference in book value and fair value of property, plant and equipment acquired in the merger. The step up in property, plant and equipment relates primarily to machinery and equipment and buildings, which have a current estimated weighted average useful life of two to eight years that will be depreciated on a straight-line basis. The amount of purchase price allocated to tangible assets, as well as the associated useful lives, may increase or decrease and could materially affect the amount of pro forma depreciation expense to be recorded in the pro forma condensed combined statement of operations.
- (c) Reflects the components of the preliminary estimates of the fair value of intangible assets to be acquired by Cypress at the closing of the merger, which are as follows:

| | Historical Estimated range of Average Useful Lives (in years) | Estimated range of Average Useful Lives (in years) | Historical Spansion (In thousands) | Estimated Fair Value | Pro Forma adjustments |
|--------------------------------------|--|---|---|-------------------------------------|--------------------------------------|
| Developed technologies | 5 to 10 | 5 | \$ 71,643 | \$ 481,500 | \$ 409,857 |
| Customer relationships | 5 to 10 | 8 | 64,094 | 132,400 | 68,306 |
| In process research & development | | N/A | | 128,070 | 128,070 |
| Trade names and Trademarks | 0.5 to 8 | 6 | 5,098 | 20,600 | 15,502 |
| License agreements | | 2 to 3 | | 51,900 | 51,900 |
| | | | \$ 140,835 | \$ 814,470 | \$ 673,635 |

The preliminary estimates of fair value and useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements.

(d) Reflects the preliminary pro forma adjustment to goodwill, calculated as follows:

| | (In thousands) |
|---|-----------------------|
| Preliminary purchase price | \$ 2,294,842 |
| Less: Fair value of net assets acquired | (1,116,312) |
| Total estimated goodwill | 1,178,530 |
| Less: Spansion historical goodwill | (166,334) |
| Pro forma adjustment to goodwill | \$ 1,012,196 |

The goodwill to be recognized is primarily attributable to the assembled workforce, a reduction in costs and other synergies, an increase in product development capabilities, enhanced opportunities for growth and innovation and creating a company that would be a leading provider of microcontrollers and specialized memory chips. The goodwill resulting from the acquisition is not expected to be deductible for tax purposes.

Table of Contents

(e) Reflects the pro forma adjustments to other current liabilities as follows:

| | (In thousands) |
|---|-----------------------|
| Transaction costs expected to be incurred by Spansion | \$ 38,369 |
| Transaction costs expected to be incurred by Cypress | 27,000 |
| Pro forma adjustment to accrued expenses | \$ 65,369 |

Of the combined \$65.4 million in estimated transaction costs, \$55.2 million relates to investment banker fees and advisory fees as specified in the relevant agreements. The remaining \$10.2 million in estimated transaction costs primarily relate to professional fees associated with the mergers, including legal, accounting, tax, regulatory filing and printing fees to be paid to third parties based on each party's best estimate of its fees.

(f) Represents the elimination of historical stockholders' equity for Spansion and Cypress common stock issued for consideration.

| | (In thousands, except per share amounts) |
|--|---|
| Estimated number of Spansion shares to be acquired | 61,820 |
| Fixed exchange ratio | 2.457 |
| Number of common shares of Cypress to be issued to the holders of Spansion common stock | 151,892 |
| Closing stock price of Cypress common stock on December 15, 2014 | \$ 13.85 |
| Estimated equity consideration | \$ 2,103,704 |
| Plus: Estimated fair value of outstanding Spansion stock awards to be exchanged for Cypress stock awards | \$ 191,138 |
| Estimated total purchase price | \$ 2,294,842 |
| Less: historical Spansion stockholders' equity | (533,920) |
| Less: transaction costs expected to be incurred | (65,369) |
| Plus: fair value of equity portion of long term debt | 222,625 |
| Pro forma adjustment to stockholders' equity | \$ 1,918,178 |

(g) Represents adjustment relating to the fair value of the debt and equity components of Spansion's exchangeable 2.00% senior notes.

| | Historical value | Fair Value |
|--|-------------------------|-------------------|
| | (In thousands) | |
| Long term revolving credit facility and debt non current portion | \$ 387,284 | \$ 394,749 |
| Equity component | 34,765 | 222,625 |
| Total Spansion debt | \$ 422,049 | \$ 617,374 |

Unaudited Pro Forma Condensed Combined Statement of Operations

Conforming Reclassifications Between Cypress and Spansion:

The following reclassifications have been made in the presentation of Cypress' historical consolidated financial statements to conform to the combined presentation:

\$4.4 million and \$8.1 million of interest expense presented separately for the nine months ended September 28, 2014 and year ended December 29, 2013, respectively.

-125-

Table of Contents

The following reclassifications have been made in the presentation of Spansion's historical consolidated financial statements to conform to the combined presentation:

Amortization of acquisition-related intangibles for Spansion includes \$27.0 million and \$40.1 million of amortization of acquired developed technologies and other intangibles included in Spansion's cost of revenues for the nine months ended September 28, 2014 and year ended December 29, 2013, respectively.

Pro Forma Adjustments Relating to the Merger of Cypress and Spansion:

- (A) Reflects pro forma adjustments to amortization of acquisition-related intangibles assuming the preliminary estimates of the fair value and estimated weighted average lives as described in Note (c) and conforming classifications as follows:

| | Nine months Ended September 28, 2014 | Year Ended December 29, 2013 |
|---|---|---|
| | (In thousands) | |
| Pro forma amortization of purchased intangibles | \$ 102,783 | \$ 137,043 |
| Less: Spansion historical amortization of purchased intangibles | 27,034 | 40,118 |
| Pro forma adjustment to amortization of purchased intangibles | \$ 75,749 | \$ 96,925 |

- (B) Reflects pro forma adjustments to depreciation of property, plant and equipment assuming the preliminary estimates of the fair value and estimated useful life of the asset as described in Note (b) and conforming classifications as follows:

| | Nine months Ended September 28, 2014 | Year Ended December 29, 2013 |
|---|---|---|
| | (In thousands) | |
| Pro forma depreciation of property, plant & equipment | \$ 59,974 | \$ 79,965 |
| Less: Spansion historical depreciation | 42,912 | 51,559 |
| Pro forma adjustment to property, plant & equipment | \$ 17,062 | \$ 28,406 |

Representing:

| | | |
|-------------------------------------|-----------|-----------|
| Cost of revenues | \$ 21,645 | \$ 31,076 |
| Research and development | (3,234) | (2,797) |
| Selling, general and administrative | (1,351) | 127 |
| | \$ 17,062 | \$ 28,406 |

- (C) Due to valuation allowances on net deferred tax assets for both Cypress and Spansion, the unaudited pro forma condensed combined consolidated statements of operations do not reflect statutory rate tax adjustments for pro forma purposes.

Pro Forma Adjustments Relating to the Acquisition of the AM Business by Spansion:

- (D) To eliminate the amortization expense of the historical AM Business intangible assets of \$0.2 million and record amortization of the acquired finite-lived intangible assets of \$8.3 million.

- (E) To record depreciation expense on the acquired property and equipment of the AM Business for the difference in depreciation as a result of the adjustment to fair values and lives.

Table of Contents

(F) To reduce interest income due to reduced cash balances as a result of the cash payment by Spansion for the AM Business acquisition.

(G) To record income tax expense based on an estimate of the foreign taxes which would be incurred on income in certain foreign jurisdictions.

6. Pro Forma Combined Net Loss per Share

The pro forma basic and diluted net loss per share presented in the unaudited pro forma condensed combined statements of operations is computed based on the weighted-average number of shares outstanding.

| | Nine Months Ended September 28, 2014 | Year Ended December 29, 2013 |
|---|---|---|
| | (In thousands) | |
| Pro Forma Net loss attributable to Cypress Semiconductor Corporation, basic and diluted as combined | \$ (123,691) | \$ (426,732) |
| Cypress' s historical weighted average shares | 157,594 | 148,558 |
| Shares expected to be issued in connection with the merger have been included in the computation of weighted average shares as if they were issued on December 31, 2012 (1) | 171,009 | 171,009 |
| Pro forma weighted average shares outstanding, basic and diluted | 328,603 | 319,567 |
| Pro forma net loss per share: | | |
| Basic | \$ (0.38) | \$ (1.34) |
| Diluted | \$ (0.38) | \$ (1.34) |

| | |
|--|--|
| | (In thousands, except per share data) |
| (1) Estimated number of Spansion shares to be acquired | 61,820 |
| Estimated number of Spansion options and restricted stock awards vested and exercisable at the time of the acquisition | 7,781 |
| Estimated number of Spansion shares eligible for merger consideration | 69,601 |
| Fixed exchange ratio | 2.457 |
| Estimated number of shares of Cypress common stock | 171,009 |

Table of Contents

DESCRIPTION OF CYPRESS CAPITAL STOCK

Upon completion of the merger, the stockholders of Spansion will become stockholders of Cypress, and the Cypress certificate of incorporation and the Cypress by-laws will govern the rights of former Spansion stockholders. Both Cypress and Spansion are incorporated under Delaware law and are subject to Delaware law. This summary is not intended to be a complete discussion of the respective certificates of incorporation and by-laws of Cypress and Spansion and it is qualified in its entirety by reference to the applicable Delaware law as well as by reference to the respective certificates of incorporation and by-laws of Cypress and Spansion. Stockholders of Spansion and Cypress should carefully read this entire joint proxy statement/prospectus and the other documents referred to in this joint proxy statement/prospectus for a more complete understanding of the differences between being a stockholder of Cypress and being a stockholder of Spansion. Cypress and Spansion have filed with the Securities and Exchange Commission their respective certificates of incorporation and by-laws and will send copies of these documents to stockholders upon request. See the section entitled *Where You Can Find More Information* beginning on page 137 of this joint proxy statement/prospectus.

Authorized Capital Stock

Cypress is authorized to issue 650 million shares of common stock, par value \$0.01 per share, and five million shares of preferred stock, par value \$0.01 per share. Subject to the rights of holders of any outstanding preferred stock, the number of authorized shares of common stock or preferred stock may be increased or decreased by the affirmative vote of the holders of a majority of the shares entitled to vote on such matters, but in no instance can the number of authorized shares be reduced below the number of shares then outstanding.

As of [], Cypress has outstanding [] shares of common stock and no shares of preferred stock.

Voting Rights

Each holder of Cypress common stock is entitled to one vote per share in connection with all other matters submitted to a stockholder vote. Stockholders may take action at an annual, special meeting or by written consent signed by the holders of outstanding Cypress stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Dividend Rights

Subject to the preferences of the holders of any Cypress preferred stock that may be outstanding from time to time, each share of common stock will have an equal and ratable right to receive dividends and other distributions in cash, property or shares of Cypress stock as may be declared by the Cypress board out of assets or funds available for the payment of dividends and other distributions.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of Cypress, subject to the preferences of the holders of any Cypress preferred stock that may be outstanding from time to time, holders of common stock will be entitled to share equally and ratably in the assets available for distribution to Cypress stockholders.

Exchange Listing

Cypress common stock is currently listed on the Nasdaq Global Select Market under the symbol CY.

Transfer Agent and Registrar

The transfer agent and registrar for Cypress common stock is Computershare Investor Services.

-128-

Table of Contents

Stock Incentive and Other Compensation Plans

Cypress 2013 Stock Plan

Cypress currently maintains the Cypress Semiconductor Corporation 2013 Stock Plan, as amended (which we refer to as the 2013 plan), under which Cypress may grant equity awards covering shares of its common stock to employees, non-employee directors and consultants. The 2013 plan was referred to formerly as the Cypress Semiconductor Corporation 1994 Stock Plan. Under the 2013 plan, Cypress may issue awards in the form of stock options, stock appreciation rights, restricted stock and/or restricted stock units (which we refer to as 2013 plan awards). Under the 2013 plan, Cypress may not issue 2013 plan awards with respect to more than 145,195,220 shares of Cypress common stock. The 2013 plan currently is scheduled to expire on January 15, 2024.

Cypress 2012 Incentive Award Plan

Cypress currently maintains the Cypress Semiconductor Corporation 2012 Incentive Award Plan, as amended (which we refer to as the 2012 plan), under which Cypress may grant equity awards covering shares of its common stock to employees who joined Cypress as part of Cypress acquisition of Ramtron International Corporation in 2012 (which we refer to as the Ramtron acquisition) and to employees who join Cypress following the Ramtron acquisition. Cypress assumed sponsorship of the 2012 plan in connection with the Ramtron acquisition. Under the 2012 plan, Cypress may issue awards in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, performance shares, phantom shares and/or other incentive awards that may in whole or in part be valued by reference to, or otherwise based on, shares of Cypress common stock (which we refer to as 2012 plan awards). 2012 plan awards outstanding under the 2012 plan at the closing of the Ramtron acquisition were automatically exchanged for awards to purchase shares of Cypress common stock, and the 2012 plan was amended to provide for the issuance of shares of Cypress common stock. Under the 2012 plan, Cypress may not issue 2012 plan awards with respect to more than 1.2 million shares of Cypress common stock. The 2012 plan currently is scheduled to expire on June 5, 2022.

Cypress Employee Qualified Stock Purchase Plan

Cypress currently maintains the Cypress Semiconductor Corporation Employee Qualified Stock Purchase Plan, as amended (which we refer to as the Cypress ESPP), under which eligible employees of Cypress and its designated subsidiaries may purchase shares of Cypress common stock through payroll deductions. The Cypress ESPP contains consecutive 18 month offering periods composed of three six month exercise periods. Participating employees may purchase shares of Cypress common stock pursuant to the Cypress ESPP at the lower of 85% of the fair market value of the common stock of Cypress on either (i) the date of commencement of the offering period or (ii) on the last day of each six month exercise period. Purchases are limited to 10% of an employee s eligible compensation, subject to a maximum annual employee contribution limit of \$21,250. The number of shares of Cypress common stock available for sale under the Cypress ESPP is equal to the sum of (i) 4,210,080 shares, plus, (ii) commencing on the first day of Cypress 2014 fiscal year, an annual increase equal to the least of (A) 2 million shares, (B) 0.75% of (1) the number of shares of Cypress common stock outstanding on the last day of the immediately preceding fiscal year plus (2) any shares reacquired by Cypress during the immediately preceding fiscal year, or (C) a lesser amount determined by Cypress board. The Cypress ESPP currently is scheduled to expire on May 10, 2023.

1999 Stock Plan

Cypress previously maintained the Cypress Semiconductor Corporation 1999 Non-Statutory Stock Option Plan, as amended (which we refer to as the 1999 plan). The 1999 plan expired in March 2009, and no additional awards may

be granted under the 1999 plan. Prior to its expiration, the 1999 plan permitted Cypress to grant non-statutory stock options covering shares of Cypress common stock to its employees, directors and consultants. Notwithstanding its expiration, the 1999 plan will continue to govern the terms and conditions of any outstanding awards granted under it.

Table of Contents***Undesignated Preferred Stock***

Cypress restated certificate of incorporation permits Cypress to issue up to five million shares of Cypress preferred stock in one or more series with such designations, powers, preferences, rights, qualifications, limitations or restrictions as may be fixed by the Cypress board without any further action by Cypress stockholders. The ability to authorize undesignated preferred stock will make it possible for the Cypress board to issue preferred stock with super voting, special approval, dividend or other rights or preferences on a discriminatory basis that could impede the success of any attempt to acquire Cypress. These and other provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of Cypress.

Requirements for Advance Notification of Stockholder Meetings

Cypress restated certificate of incorporation and amended and restated by-laws provide that special meetings of the stockholders may be called at any time by the Cypress board, the chairman of the Cypress board or the president, or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting. If a special meeting is called by any person or persons other than the Cypress board, the request will be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and will be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the board, the president, or the secretary of the corporation. Cypress restated certificate of incorporation and amended and restated by-laws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting.

Comparison of Rights of Holders of Cypress Common Stock and Spansion Common Stock

| Cypress | Spansion |
|--|---|
| <p>Forum Selection</p> <p>Unless Cypress consents in writing to the selection of an alternative forum, the Superior Court of California, County of Santa Clara (or, if such court does not have jurisdiction, the federal district court for the Northern District of California) will, to the fullest extent permitted by law, be the sole and exclusive forum for certain actions, including any derivative action or proceeding brought on behalf of Cypress, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of Cypress to Cypress or Cypress stockholders, or any action asserting a claim against Cypress or any director or officer or other employee of Cypress governed by the internal affairs doctrine.</p> | <p>Unless Spansion consents in writing to the selection of an alternative forum, the Superior Court of California, County of Santa Clara (or, if such court does not have jurisdiction, the federal district court for the Northern District of California) will, to the fullest extent permitted by law, be the sole and exclusive forum for certain actions, including any derivative action or proceeding brought on behalf of Spansion, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of Spansion to Spansion or Spansion's stockholders, or any action asserting a claim against Spansion or any director or officer or other employee of Spansion governed by the internal affairs doctrine.</p> |

Table of Contents

Authorized Capital

Cypress is authorized to issue 655 million shares, of which five million are shares of preferred stock and 650 million are shares of common stock, each with a par value of \$0.01 per share. The aggregate par value of all shares of preferred stock is \$50,000 and the aggregate par value of all shares of common stock is \$6.5 million.

Spancion is authorized to issue 200,000,001 shares, of which 150 million are shares of class A common stock, one is a share of class B common stock and 50 million are shares of preferred stock, each with a par value of \$0.001 per share.

Spancion previously issued the share of class B common stock, which share was subsequently converted into a share of class A common stock and Spancion is not authorized to reissue the share of class B common stock.

Voting Rights

Each holder of Cypress common stock is entitled to one vote per share on each matter submitted to a vote of the stockholders of Cypress.

Each holder of Spancion common stock is entitled to one vote per share on each matter submitted to a vote of the stockholders of Spancion.

Dividends

Dividends upon Cypress capital stock may be declared by Cypress board in accordance with law.

Dividends upon Spancion capital stock may be declared by Spancion board in accordance with law.

Cypress directors may set apart out of any of the Cypress funds available for dividends a reserve or reserves for any proper purpose and may abolish such reserve(s).

Number of Directors

The number of directors consists of eight persons until changed by a proper amendment.

The number of directors is fixed by the Spancion board, but will not be less than three nor more than nine; provided, however, that if the Aggregate Ownership Interest of Silver Lake Sumero Fund, L.P. represents 5% or more of the outstanding Spancion common stock of the corporation, the number of directors on the Spancion board will not be more than eight.

There are currently seven directors serving on the Cypress board.

There are currently eight directors serving on the Spancion board.

Election of Directors

Directors are elected by a plurality of the votes cast by holders of Cypress stock present in person or by proxy at each annual meeting and will hold office until the next annual meeting; stockholders are entitled to

Directors are elected by the affirmative vote of the majority of the votes cast by holders of Spancion stock present in person or by proxy and entitled to vote on the election of directors, and in the event of a

cumulative votes in respect of electing directors.

contested election, the directors are elected by a plurality of the votes cast by holders of the shares of Spansion stock present in person or by proxy and entitled to vote on the election of directors. Spansion stockholders are not entitled to cumulative voting.

-131-

Table of Contents

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| | | <p>The Spansion board consists of three classes of directors, each serving staggered three-year terms. At each annual meeting of Spansion stockholders, directors of one of the three classes will be elected for a term of three years to succeed those directors whose terms are expiring.</p> |
| Removal of Directors | <p>Any director may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote on an election of directors; provided, however, that if less than the entire board is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board.</p> | <p>Any director may be removed at any time, with cause, by the holders of a majority of the shares then entitled to vote at an election of directors, voting together as one class, except for directors elected by holders of preferred stock.</p> |
| Action by Written Consent | <p>Any action required to be or that may be taken at any annual or special meeting of Cypress stockholders may be taken without a meeting, without prior notice, and without a vote, if there is a written consent setting forth the action taken, signed by the holders of outstanding Cypress stock necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.</p> | <p>Any action required or permitted to be taken at a Spansion stockholders meeting may be taken only upon the vote of the stockholders at such meeting, and may not be taken by written consent of the stockholders.</p> |
| Advance Notice Requirements for Stockholder Nominations and Other Proposals | <p>For business to be properly brought before an annual meeting by a Cypress stockholder, the stockholder must give timely notice in proper written form to Cypress Secretary.</p> <p>To be timely, a stockholder's notice must be sent or otherwise given in accordance with Cypress amended and restated by-laws, as amended, not less than 45 nor more than 75 days before the anniversary of the first provision of proxy materials for the previous year's annual meeting in the case of an annual meeting not significantly advanced or delayed from the anniversary of the previous annual meeting. In the case of a special meeting,</p> | <p>For business to be properly brought before an annual meeting by a Spansion stockholder, the stockholder must give timely notice thereof in proper written form to Spansion's Secretary.</p> <p>To be timely, a stockholder's notice must be delivered to the corporate secretary at Spansion's principal executive not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the stockholder</p> |

notice must be received by the later of the
90th day prior to the meeting or the 10th day
after public

in order to be timely must be received not
later than the close of business on the tenth
day following the day on which the first

-132-

Table of Contents

| | | |
|---|--|---|
| | announcement of the date of the meeting. | public announcement of the date of the annual meeting was made or the notice of the meeting was mailed, whichever occurs first. |
| | To be in proper written form, a stockholder notice will specify the business intended to be proposed or nominees made by the stockholder, information about the stockholder and its stock ownership and hedging transactions, other material interests of the stockholder and a statement of whether the stockholder will solicit enough Cypress stockholders to carry the proposal. | s To be in proper written form, a stockholder s notice will set forth (i) a reasonably detailed description of the business desired to be brought before the annual meeting, (ii) the text of the proposal or business, (iii) the reasons for conducting such business at the stockholder meeting and (iv) a reasonably detailed description of any material interest in such business of such stockholder, beneficial owner, if any, on whose behalf the proposal is made, and any affiliate or associate of such stockholder or beneficial owner. |
| Amendments to the Certificate of Incorporation | Amendments to the certificate of incorporation may be made in the manner prescribed by Section 242 of Delaware law, which provides that such amendment requires the adoption of the holders of a majority of the outstanding stock entitled to vote thereon. | Amendments to the certificate of incorporation may be made in the manner prescribed by Section 242 of Delaware law, which provides that such amendment requires the adoption of the holders of a majority of the outstanding stock entitled to vote thereon. |
| Amendments to By-laws | Cypress board is expressly authorized to make, alter, amend or repeal Cypress by-laws, as are the stockholders entitled to vote. | Spancion s board is expressly authorized to make, amend, supplement or repeal Spancion s by-laws, and the stockholders may change or amend or repeal the by-laws in any manner pursuant to a vote of a majority of the voting power of the outstanding shares of capital stock entitled to vote. |
| Special Meeting of Stockholders | Special meetings of the stockholders may be called at any time by the Cypress board, the chairman or the president, or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting. No business may be transacted at a special meeting otherwise than specified in the notice for such meeting. | Special meetings of the stockholders may be called at any time only by the chairman of the Spancion board or by the Spancion board pursuant to a resolution approved by a majority of the then authorized number of directors. No matters may be acted upon at a special meeting otherwise than specified in the call for such meeting. |
| Limitation of Personal Liability of Directors | To the fullest extent permitted by Delaware law, a director of Cypress will not be personally liable to Cypress or its | To the fullest extent permitted by Delaware law, a director of Spancion will not be personally liable to Spancion or its |

stockholders for monetary damages for
breach of fiduciary duty as a director, and
Cypress is authorized to provide
indemnification of (and

stockholders for monetary damages for any
breach of fiduciary duty as a director.

Table of Contents

advancement of expenses to) directors, officers, employees and other agents of Cypress (and any other persons to which Delaware law permits Cypress to provide indemnification).

Indemnification of Directors and Officers

Cypress is required to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Cypress to procure a judgment in its favor by reason of the fact that he is or was a director or officer of Cypress, or is or was serving at the request of Cypress as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and allow Cypress to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Cypress to procure a judgment in its favor by reason of the fact that he is or was an employee or agent of Cypress, or is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Cypress and except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to Cypress unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought will determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court will deem proper.

Spancion is required to indemnify and hold harmless, to the fullest extent permitted by applicable law, any person who was or is made or is threatened to be made a party or is otherwise involved in any threatened or actual action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of Spancion or, while a director or officer of Spancion, is or was serving at the request of Spancion as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person, so long as the commencement of such proceeding (or part thereof) by the person was authorized in the specific case by the Spancion board.

Table of Contents

Expenses incurred by a director or officer of the corporation in defending a civil or criminal action, suit or proceeding will be paid by Cypress in advance of the final disposition of such action, suit or proceeding and expenses incurred by an employee or agent in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it will ultimately be determined that he is not entitled to be indemnified by Cypress as authorized in the by-laws.

Spanion is required, to the fullest extent not prohibited by applicable law, to pay the expenses incurred by a person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding will be made only upon receipt of an undertaking by the person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under Spanion's amended and restated certificate of incorporation or otherwise.

Table of Contents

FUTURE STOCKHOLDER PROPOSALS

Cypress

Any stockholder who intends to present a proposal at the Cypress 2015 annual meeting of stockholders, to be held on []:

must have submitted to the Corporate Secretary at Cypress Semiconductor Corporation, 198 Champion Court, San Jose, California 95134 any proposal for inclusion in Cypress proxy materials for that meeting pursuant to Rule 14a-8 under the Exchange Act on or before November 28, 2014; or

must submit to the Corporate Secretary at Cypress Semiconductor Corporation, 198 Champion Court, San Jose, California 95134, between January 12, 2015 and February 11, 2015, any proposal for directors to be nominated or other proposals to be properly presented at Cypress 2015 annual meeting that are not to be included in Cypress proxy statement for the 2015 annual meeting, in which case the notice of the proposal must meet certain requirements set forth in Cypress bylaws and Cypress will not be required to include the proposal in Cypress proxy materials. If, however, Cypress 2015 annual meeting of stockholders is called for a date that is not within 30 days before or 60 days after May 9, 2015, notice must be received by Cypress Corporate Secretary at 198 Champion Court, San Jose, California 95134, no earlier than the 120th day prior to, and no later than the 90th day prior to, the 2015 annual meeting of stockholders or the 10th day following the day on which public disclosure of the date of Cypress 2015 annual meeting of stockholders is made. All stockholder proposals must comply with Cypress bylaws and SEC regulations, including Rule 14a-8.

Spansion

If the merger agreement and the transactions contemplated thereby are adopted and approved by the requisite vote of the Spansion stockholders and the merger is completed in 2015, Spansion will become a wholly owned subsidiary of Cypress and, consequently, will not hold an annual meeting of its stockholders in 2015. If the merger is consummated prior to the Cypress 2015 annual meeting of stockholders, Spansion stockholders will be entitled to participate, as stockholders of the combined company and may submit proposals pursuant to the Cypress procedures noted above. If the merger is consummated after the Cypress 2015 annual meeting of stockholders, Spansion stockholders will be entitled to participate, as stockholders of the combined company, in the Cypress 2016 annual meeting of stockholders.

If the merger agreement and the transactions contemplated thereby are not adopted and approved by the requisite vote of the Spansion stockholders or if the transactions are not completed for any other reason, Spansion will hold an annual meeting of its stockholders. In such case, and as previously stated in the Spansion proxy statement filed with the Securities and Exchange Commission on April 18, 2014, any stockholder who intends to present a proposal at such annual meeting of stockholders must ensure that the proposal is received by the Corporate Secretary at Spansion Inc., 915 DeGuigne Drive, P.O. Box 3453, Sunnyvale, California 94088:

on or before December 22, 2014, if the proposal is submitted for inclusion in Spansion's proxy materials for that meeting pursuant to Rule 14a-8 under the Exchange Act (or, if Spansion holds its 2015 annual meeting of stockholders on a date that is not within 30 days of May 16, 2015, must be received no later than the close of business on the tenth day following the day on which the first public announcement of the date of the

annual meeting was made or the notice of the meeting was mailed); or

on or after January 16, 2015, and on or before February 15, 2015, for directors to be nominated or other proposals to be properly presented at the 2015 annual meeting that are not to be included in Spansion's proxy statement for the 2015 annual meeting, in which case the notice of the proposal must meet certain requirements set forth in Spansion's bylaws and Spansion will not be required to include the proposal in Spansion's proxy materials (or, if Spansion holds its 2015 annual meeting of stockholders on a date that is not within 30 days of May 16, 2015, must be received no later than the close of business on the 10th day following the day on which the first public announcement of the date of the annual meeting was made or the notice of the meeting was mailed).

-136-

Table of Contents

LEGAL MATTERS

Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California will pass upon the validity of the shares of Cypress common stock offered by this joint proxy statement/prospectus and certain federal income tax consequences of the merger for Cypress.

Fenwick & West LLP, Mountain View, California, will pass upon certain federal income tax consequences of the merger for Spansion.

EXPERTS

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this joint proxy statement/prospectus by reference to Cypress Semiconductor Corporation's Annual Report on Form 10-K for the year ended December 29, 2013 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in the Management's Report on Internal Control over Financial Reporting) incorporated in this joint proxy statement/prospectus by reference to Spansion Inc.'s Annual Report on Form 10-K for the year ended December 29, 2013 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The audited combined abbreviated financial statements of the analog semiconductor and microcontroller business, a division of Fujitsu Semiconductor Limited, which comprise the combined statement of assets to be acquired and liabilities to be assumed as of March 31, 2012 and 2013, and the related combined statements of revenue and direct expenses for the years then ended, and the related notes to the combined abbreviated financial statements, incorporated in this joint proxy statement/prospectus by reference to Spansion's Current Report on Form 8-K/A dated August 19, 2013 have been so incorporated in reliance on the report of Ernst & Young ShinNihon LLC, independent auditors, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

This joint proxy statement/prospectus incorporates documents by reference which are not presented in or delivered with this joint proxy statement/prospectus. Stockholders of Cypress and Spansion should rely only on the information contained in this joint proxy statement/prospectus and in the documents that Cypress and Spansion have incorporated by reference into this joint proxy statement/prospectus. Cypress and Spansion have not authorized anyone to provide stockholders of Cypress or Spansion with information that is different from or in addition to the information contained in this document or incorporated by reference into this joint proxy statement/prospectus.

Cypress and Spansion each file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information filed by Cypress or Spansion at the Securities and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at (800) SEC-0330 for further information on the operation of the Public Reference Room.

-137-

Table of Contents

The Securities and Exchange Commission maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the Securities and Exchange Commission, including Cypress and Spansion, at www.sec.gov. You may also access the Securities and Exchange Commission filings and obtain other information about Cypress and Spansion through the websites maintained by Cypress and Spansion, which are www.cypress.com and www.spansion.com, respectively. The information contained in those websites is not incorporated by reference in this joint proxy statement/prospectus.

The following documents, which were filed by Cypress with the Securities and Exchange Commission, are incorporated by reference into this joint proxy statement/prospectus (other than information furnished pursuant to Item 2.02 or Item 7.01 of a Current Report on Form 8-K, or the exhibits related thereto under Item 9.01):

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on December 1, 2014;

Cypress quarterly report on Form 10-Q for the period ended September 28, 2014, filed with the Securities and Exchange Commission on October 31, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on October 6, 2014;

Cypress quarterly report on Form 10-Q for the period ended June 29, 2014, filed with the Securities and Exchange Commission on August 6, 2014;

Cypress Form SD, filed with the Securities and Exchange Commission on June 2, 2014

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on May 13, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on May 8, 2014;

Cypress quarterly report on Form 10-Q for the period ended March 30, 2014, filed with the Securities and Exchange Commission on May 2, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on April 2, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on March 5, 2014;

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Cypress annual report on Form 10-K for the fiscal year ended December 29, 2013, filed with the Securities and Exchange Commission on February 27, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on February 13, 2014;

Cypress current report on Form 8-K, filed with the Securities and Exchange Commission on January 29, 2014; and

The description of Cypress common stock contained in its registration statement on Form 8-A, filed with the Securities and Exchange Commission on October 30, 2009, and any amendment or report filed with the Securities and Exchange Commission for the purpose of updating such description.

The following documents, which were filed by Spansion with the Securities and Exchange Commission, are incorporated by reference into this joint proxy statement/prospectus (other than information furnished pursuant to Item 2.02 or Item 7.01 of a Current Report on Form 8-K, or the exhibits related thereto under Item 9.01):

Spansion s current report on Form 8-K, filed with the Securities and Exchange Commission on December 1, 2014;

Table of Contents

Spansion's quarterly report on Form 10-Q for the period ended September 28, 2014, filed with the Securities and Exchange Commission on November 7, 2014;

Spansion's current report on Form 8-K, filed with the Securities and Exchange Commission on August 19, 2014;

Spansion's quarterly report on Form 10-Q for the period ended June 29, 2014, filed with the Securities and Exchange Commission on August 1, 2014;

Amendment No. 1 to Spansion's quarterly report on Form 10-Q for the period ended March 30, 2014, filed with the Securities and Exchange Commission on July 9, 2014;

Amendment No. 1 to Spansion's annual report on Form 10-K for the period ended December 29, 2013, filed with the Securities and Exchange Commission on July 8, 2014;

Spansion's Form SD, filed with the Securities and Exchange Commission on May 30, 2014;

Spansion's current report on Form 8-K, filed with the Securities and Exchange Commission on May 29, 2014;

Spansion's current report on Form 8-K, filed with the Securities and Exchange Commission on May 22, 2014;

Spansion's quarterly report on Form 10-Q for the period ended March 30, 2014, filed with the Securities and Exchange Commission on May 6, 2014;

Spansion's annual report on Form 10-K for the fiscal year ended December 29, 2013, filed with the Securities and Exchange Commission on February 25, 2014;

Spansion's current report on Form 8-K, filed with the Securities and Exchange Commission on January 27, 2014; and

Spansion's current report on Form 8-K/A, filed with the Securities and Exchange Commission on August 19, 2013.

In addition, all documents filed by Cypress and Spansion pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than information furnished pursuant to Item 2.02 or Item 7.01 of a Current Report on Form 8-K or the exhibits related thereto under Item 9.01) after the date of this joint proxy

statement/prospectus and before the date of the Cypress and Spansion special meetings are deemed to be incorporated by reference into, and to be a part of, this joint proxy statement/prospectus from the date of filing of those documents.

Any statement contained in this joint proxy statement/prospectus or in a document incorporated or deemed to be incorporated by reference into this joint proxy statement/prospectus will be deemed to be modified or superseded for purposes of this joint proxy statement/prospectus to the extent that a statement contained in this joint proxy statement/prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this joint proxy statement/prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this joint proxy statement/prospectus.

Cypress has supplied all information contained or incorporated by reference in this joint proxy statement/prospectus about Cypress, and Spansion has supplied all information contained or incorporated by reference in this joint proxy statement/prospectus about Spansion.

Table of Contents

You can also obtain the documents incorporated by reference in the joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the addresses and telephone numbers listed below. To obtain timely delivery, you must request the information no later than five business days before you must make your investment decision.

Cypress Semiconductor Corporation

198 Champion Court
San Jose, California 95134
Attention: Investor Relations
(408) 943-2656

<http://investors.cypress.com/contactus.cfm>

In addition, if you have questions about the merger or the special meetings, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy cards, election forms or other documents incorporated by reference in the joint proxy statement/prospectus, you may contact the appropriate contact listed above. You will not be charged for any of the documents you request.

Spansion Inc.

915 DeGuigne Drive, P.O. Box 3453
Sunnyvale, California 94088
Attention: Investor Relations
(408) 962-2500

investor.relations@spansion.com

In order for you to receive timely delivery of the documents in advance of the Cypress special meeting, Cypress should receive your request no later than [].

In order for you to receive timely delivery of the documents in advance of the Spansion special meeting, Spansion should receive your request no later than [].

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this joint proxy statement/prospectus, or the solicitation of a proxy, in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. Neither the delivery of this joint proxy statement/prospectus nor any distribution of securities pursuant to this joint proxy statement/prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated into this joint proxy statement/prospectus by reference or in the affairs of Cypress or Spansion since the date of this joint proxy statement/prospectus.

Table of Contents

ANNEX A

[EXECUTION COPY]

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

by and among

CYPRESS SEMICONDUCTOR CORPORATION

MUSTANG ACQUISITION CORPORATION

and

SPANSION INC.

December 1, 2014

Table of Contents

TABLE OF CONTENTS

| | Page |
|--|-------------|
| ARTICLE I THE MERGER | A-1 |
| 1.1 <u>The Merger</u> | A-1 |
| 1.2 <u>The Surviving Corporation of the Merger</u> | A-2 |
| 1.3 <u>General Effects of the Merger</u> | A-2 |
| 1.4 <u>Effect of the Merger on Capital Stock of the Merging Corporations</u> | A-2 |
| 1.5 <u>Further Action</u> | A-5 |
| 1.6 <u>Tax Reorganization</u> | A-5 |
| ARTICLE II THE CLOSING | A-5 |
| 2.1 <u>The Closing</u> | A-5 |
| 2.2 <u>Conditions to Closing</u> | A-6 |
| 2.3 <u>Issuance of Merger Consideration After the Closing</u> | A-9 |
| ARTICLE III REPRESENTATIONS AND WARRANTIES OF SPANSION | A-11 |
| 3.1 <u>Organization and Qualification</u> | A-11 |
| 3.2 <u>Authority; Approvals and Enforceability</u> | A-11 |
| 3.3 <u>Required Filings and Consents</u> | A-12 |
| 3.4 <u>Certificate of Incorporation and Bylaws</u> | A-13 |
| 3.5 <u>Capitalization</u> | A-13 |
| 3.6 <u>Subsidiaries</u> | A-14 |
| 3.7 <u>SEC Reports</u> | A-15 |
| 3.8 <u>Financial Statements and Internal Controls</u> | A-15 |
| 3.9 <u>Undisclosed Liabilities</u> | A-16 |
| 3.10 <u>Subsequent Changes</u> | A-16 |
| 3.11 <u>Real Property</u> | A-17 |
| 3.12 <u>Tangible Property</u> | A-17 |
| 3.13 <u>Intellectual Property</u> | A-17 |
| 3.14 <u>Material Contracts</u> | A-18 |
| 3.15 <u>Tax Matters</u> | A-20 |
| 3.16 <u>Employee Benefit Matters</u> | A-20 |
| 3.17 <u>Labor Matters</u> | A-23 |
| 3.18 <u>Environmental Matters</u> | A-24 |
| 3.19 <u>Compliance with Laws</u> | A-25 |
| 3.20 <u>Permits</u> | A-26 |
| 3.21 <u>Legal Proceedings and Orders</u> | A-26 |
| 3.22 <u>Insurance</u> | A-26 |
| 3.23 <u>No Ownership of Cypress Capital Stock</u> | A-26 |
| 3.24 <u>Takeover Statutes</u> | A-27 |
| 3.25 <u>Brokers, Finders and Financial Advisors</u> | A-27 |
| ARTICLE IV REPRESENTATIONS AND WARRANTIES OF CYPRESS AND MERGER SUB | A-27 |
| 4.1 <u>Organization and Qualification</u> | A-27 |

| | | |
|-----|--|------|
| 4.2 | <u>Authority, Approvals and Enforceability</u> | A-27 |
| 4.3 | <u>Required Filings and Consents</u> | A-28 |
| 4.4 | <u>Certificate of Incorporation and Bylaws</u> | A-29 |
| 4.5 | <u>Capitalization</u> | A-29 |
| 4.6 | <u>Subsidiaries</u> | A-30 |
| 4.7 | <u>SEC Reports</u> | A-31 |

A-i

Table of Contents

| | Page |
|--|-------------|
| 4.8 <u>Financial Statements and Internal Controls</u> | A-31 |
| 4.9 <u>Undisclosed Liabilities</u> | A-32 |
| 4.10 <u>Subsequent Changes</u> | A-32 |
| 4.11 <u>Real Property</u> | A-33 |
| 4.12 <u>Tangible Property</u> | A-33 |
| 4.13 <u>Intellectual Property</u> | A-33 |
| 4.14 <u>Material Contracts</u> | A-34 |
| 4.15 <u>Tax Matters</u> | A-36 |
| 4.16 <u>Employee Benefit Matters</u> | A-36 |
| 4.17 <u>Labor Matters</u> | A-39 |
| 4.18 <u>Environmental Matters</u> | A-40 |
| 4.19 <u>Compliance with Laws</u> | A-41 |
| 4.20 <u>Permits</u> | A-42 |
| 4.21 <u>Legal Proceedings and Orders</u> | A-42 |
| 4.22 <u>Insurance</u> | A-42 |
| 4.23 <u>No Ownership of Spansion Capital Stock</u> | A-42 |
| 4.24 <u>Takeover Statutes</u> | A-42 |
| 4.25 <u>Brokers, Finders and Financial Advisors</u> | A-42 |
| ARTICLE V CONDUCT OF BUSINESS | A-43 |
| 5.1 <u>Affirmative Obligations</u> | A-43 |
| 5.2 <u>Negative Obligations</u> | A-43 |
| ARTICLE VI NON-SOLICITATION OF ACQUISITION TRANSACTIONS | A-47 |
| 6.1 <u>Termination of Existing Discussions</u> | A-47 |
| 6.2 <u>No Solicitation or Facilitation of Acquisition Proposals</u> | A-47 |
| 6.3 <u>Permitted Discussions and Information Sharing</u> | A-48 |
| 6.4 <u>Responsibility for Actions of Representatives</u> | A-49 |
| 6.5 <u>Notification Requirements</u> | A-49 |
| ARTICLE VII ADDITIONAL AGREEMENTS | A-50 |
| 7.1 <u>Efforts to Complete Merger</u> | A-50 |
| 7.2 <u>Regulatory Filings and Clearances</u> | A-50 |
| 7.3 <u>Registration Statement and Joint Proxy Statement/Prospectus</u> | A-51 |
| 7.4 <u>Stockholder Meetings and Board Recommendations</u> | A-53 |
| 7.5 <u>Access; Notice and Consultation; Confidentiality</u> | A-55 |
| 7.6 <u>Public Announcements</u> | A-57 |
| 7.7 <u>Employee Plans</u> | A-57 |
| 7.8 <u>Directors and Officers Indemnification and Insurance</u> | A-58 |
| 7.9 <u>Listing of Cypress Shares</u> | A-59 |
| 7.10 <u>Takeover Statutes</u> | A-59 |
| 7.11 <u>Section 16 Matters</u> | A-60 |
| 7.12 <u>Tax Matters</u> | A-60 |
| 7.13 <u>FIRPTA Certificate</u> | A-60 |
| 7.14 <u>Obligations of Merger Sub</u> | A-60 |
| 7.15 <u>Exchangeable Senior Notes</u> | A-60 |

| | |
|--|------|
| ARTICLE VIII GOVERNANCE MATTERS | A-61 |
| 8.1 <u>Cypress Board of Directors</u> | A-61 |
| 8.2 <u>Cypress Chief Executive Officer</u> | A-61 |

A-ii

Table of Contents

| | Page |
|---|-------------|
| ARTICLE IX TERMINATION OF AGREEMENT | A-61 |
| 9.1 <u>Termination</u> | A-61 |
| 9.2 <u>Effect of Termination</u> | A-63 |
| 9.3 <u>Fees and Expenses</u> | A-63 |
| ARTICLE X GENERAL PROVISIONS | A-66 |
| 10.1 <u>Certain Interpretations</u> | A-66 |
| 10.2 <u>Non-Survival of Representations and Warranties</u> | A-67 |
| 10.3 <u>Notices</u> | A-67 |
| 10.4 <u>Assignment</u> | A-68 |
| 10.5 <u>Amendment</u> | A-68 |
| 10.6 <u>Extension; Waiver</u> | A-68 |
| 10.7 <u>Specific Performance</u> | A-68 |
| 10.8 <u>Failure or Indulgence Not Waiver; Remedies Cumulative</u> | A-68 |
| 10.9 <u>Severability</u> | A-68 |
| 10.10 <u>Entire Agreement</u> | A-68 |
| 10.11 <u>No Third Party Beneficiaries</u> | A-69 |
| 10.12 <u>Governing Law</u> | A-69 |
| 10.13 <u>Consent to Jurisdiction</u> | A-69 |
| 10.14 <u>Waiver of Jury Trial</u> | A-69 |
| 10.15 <u>Counterparts</u> | A-69 |

Table of Contents

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

THIS AGREEMENT AND PLAN OF MERGER AND REORGANIZATION (this Agreement) is made and entered into as of December 1, 2014 by and among Cypress Semiconductor Corporation, a Delaware corporation (Cypress), Mustang Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Cypress (Merger Sub), and Spansion Inc., a Delaware corporation (Spansion). All capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in Annex A.

W I T N E S S E T H:

WHEREAS, each of the respective Boards of Directors of Cypress, Merger Sub and Spansion has approved the Agreement and the transactions contemplated hereby, and deems it advisable and in the best interest of its stockholders to enter into this Agreement and consummate the transactions contemplated hereby, pursuant to which, among other things, Merger Sub will be merged with and into Spansion (the Merger) in accordance with the terms and conditions set forth in this Agreement and the applicable provisions of the General Corporation Law of the State of Delaware (the DGCL), Spansion will continue as the surviving corporation of the Merger and as a wholly owned subsidiary of Cypress and each share of Spansion Common Stock outstanding immediately prior to the Effective Time (as defined herein) will be cancelled and converted into the right to receive the consideration set forth herein, all upon the terms and subject to the conditions set forth in this Agreement.

WHEREAS, for U.S. federal income tax purposes, it is intended that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and that this Agreement will be, and is hereby, adopted as a plan of reorganization within the meaning of Treasury Regulations Section 1.368-2(g).

WHEREAS, concurrently with the execution and delivery of this Agreement, as a condition and inducement to the willingness of Cypress and Merger Sub to enter into this Agreement, each of the officers and directors of Spansion, in their respective capacities as stockholders of Spansion, has entered into support agreements with Cypress substantially in the form attached hereto as Exhibit A (each, a Spansion Support Agreement and collectively, the Spansion Support Agreements).

WHEREAS, concurrently with the execution and delivery of this Agreement, as a condition and inducement to the willingness of Spansion to enter into this Agreement, each of the officers and directors of Cypress, in their respective capacities as stockholders of Cypress, has entered into support agreements with Spansion substantially in the form attached hereto as Exhibit B (each, a Cypress Support Agreement and collectively, the Cypress Support Agreements).

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Cypress, Merger Sub and Spansion hereby agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement and the applicable provisions of the DGCL, on the Closing Date, Merger Sub shall be merged with and into Spansion, the separate corporate existence of Merger Sub shall thereupon cease and Spansion shall continue as the surviving corporation of the Merger

and a wholly owned subsidiary of Cypress. Spansion, as the surviving corporation of the Merger, is

A-1

Table of Contents

sometimes referred to herein as the Surviving Corporation. Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Cypress, Merger Sub and Spansion shall cause the Merger to be consummated under the DGCL by filing a certificate of merger in customary form and substance (the Certificate of Merger) with the Secretary of State of the State of Delaware (the Delaware Secretary of State) in accordance with the applicable provisions of the DGCL. The time of such filing and acceptance by the Delaware Secretary of State, or such later time as may be agreed in writing by Cypress and Spansion and specified in the Certificate of Merger, is referred to herein as the Effective Time.

1.2 The Surviving Corporation of the Merger.

(a) Certificate of Incorporation and Bylaws of the Surviving Corporation.

(i) Certificate of Incorporation. Subject to the terms of Section 7.8(b), at the Effective Time, the Certificate of Incorporation of Spansion shall be amended and restated in its entirety to read identically to the Certificate of Incorporation of Merger Sub, as in effect immediately prior to the Effective Time, and such amended and restated Certificate of Incorporation shall become the Certificate of Incorporation of the Surviving Corporation until thereafter amended in accordance with the applicable provisions of the DGCL and such Certificate of Incorporation; *provided, however*, that at the Effective Time the Certificate of Incorporation of the Surviving Corporation shall be amended so that the name of the Surviving Corporation shall be Spansion.

(ii) Bylaws. Subject to the terms of Section 7.8(b), at the Effective Time, the Bylaws of Merger Sub, as in effect immediately prior to the Effective Time, shall become the Bylaws of the Surviving Corporation until thereafter amended in accordance with the applicable provisions of the DGCL, the Certificate of Incorporation of the Surviving Corporation and such Bylaws.

(b) Directors and Officers of the Surviving Corporation.

(i) Directors. At the Effective Time, the initial directors of the Surviving Corporation shall be the directors of Merger Sub immediately prior to the Effective Time, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation until their respective successors are duly elected or appointed and qualified.

(ii) Officers. At the Effective Time, the initial officers of the Surviving Corporation shall be the officers of Merger Sub immediately prior to the Effective Time, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation until their respective successors are duly appointed.

1.3 General Effects of the Merger. The effects of the Merger shall be as provided in this Agreement and the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all of the property, rights, privileges, powers and franchises of Spansion and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of Spansion and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

1.4 Effect of the Merger on Capital Stock of the Merging Corporations.

(a) Capital Stock of Merger Sub. Each share of common stock, par value \$0.001 per share, of Merger Sub that is outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation. Each certificate evidencing ownership of such shares of common stock of Merger Sub shall thereafter evidence ownership of shares of common stock of the Surviving Corporation.

A-2

Table of Contents**(b) Capital Stock of Spansion.**

(i) Generally. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Cypress, Merger Sub, Spansion, or the holders of any of the following securities, other than as otherwise set forth in this Section 1.4(b), each share of Spansion Common Stock that is outstanding immediately prior to the Effective Time shall be canceled and extinguished and automatically converted into the right to receive 2.457 shares of Cypress Common Stock (the Exchange Ratio) and the cash payable in lieu of fractional shares pursuant to this Section 1.4(b)(i) (the Common Stock Consideration) upon the surrender of the certificate, if any, representing such share of Spansion Common Stock in the manner provided in Section 2.3(c) (or in the case of a lost, stolen or destroyed certificate, upon delivery of an affidavit (and bond, if required) in the manner provided in Section 2.3(e)); *provided, however*, that (x) the Exchange Ratio shall be appropriately adjusted to reflect fully the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Cypress Common Stock or Spansion Common Stock), reorganization, recapitalization, reclassification or other like change with respect to Cypress Common Stock or Spansion Common Stock having a record date on or after the date hereof and prior to the Effective Time, and (y) notwithstanding the foregoing or anything to the contrary set forth herein, no fraction of a share of Cypress Common Stock will be issued by virtue of the Merger, and in lieu thereof, each holder of record of shares of Spansion Common Stock who would otherwise be entitled to a fraction of a share of Cypress Common Stock pursuant to this Section 1.4(b)(i) (after aggregating all fractional shares of Cypress Common Stock that otherwise would be received by such holder of record) shall, upon the surrender of the certificate, if any, representing such share of Spansion Common Stock in the manner provided in Section 2.3(c) (or in the case of a lost, stolen or destroyed certificate, upon delivery of an affidavit (and bond, if required) in the manner provided in Section 2.3(e)), receive an amount of cash (rounded down to the nearest whole cent), without interest, equal to the product obtained by multiplying such fraction by the Closing Average. From and after the Effective Time, all shares of Spansion Common Stock shall no longer be outstanding and shall automatically be cancelled, retired and cease to exist, and each holder of shares of Spansion Common Stock shall cease to have any rights with respect thereto, except the right to receive the shares of Cypress Common Stock issuable in respect thereof pursuant to this Section 1.4(b)(i), cash in lieu of any fractional shares payable in respect thereof pursuant to this Section 1.4(b)(i) and any dividends or other distributions payable in respect thereof pursuant to Section 2.3(d). All shares of Cypress Common Stock issued upon the surrender for exchange of shares of Spansion Common Stock in accordance with the terms hereof (including any cash paid in respect thereof pursuant to this Section 1.4(b)(i) in lieu of a fractional share of Cypress Common Stock and any dividends or other distributions paid in respect thereof pursuant to Section 2.3(d)) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Spansion Common Stock, and there shall be no further registration of transfers on the records of the Surviving Corporation of shares of Spansion Common Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, a certificate representing shares of Spansion Common Stock is presented to the Surviving Corporation for any reason, then such certificate shall be canceled and exchanged for the Common Stock Consideration in accordance with this Section 1.4(b), any cash payable in respect thereof pursuant to this Section 1.4(b)(i) in lieu of a fractional share of Cypress Common Stock and any dividends or other distributions payable in respect thereof pursuant to Section 2.3(d).

(ii) Owned Shares of Spansion Common Stock. Notwithstanding anything to the contrary set forth herein, upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Cypress, Merger Sub, Spansion, or the holders of any of the following securities, each share of Spansion Common Stock that is owned by Cypress, Merger Sub or Spansion, or by any direct or indirect wholly owned Subsidiary of Cypress, Merger Sub or Spansion, in each case immediately prior to the Effective Time, shall be cancelled and extinguished without any conversion thereof or consideration paid therefor.

(iii) Restricted Shares of Spansion Common Stock. Notwithstanding anything to the contrary set forth herein, if any shares of Spansion Common Stock outstanding immediately prior to the Effective Time are

A-3

Table of Contents

unvested or subject to a repurchase option or obligation, risk of forfeiture or other condition under any applicable restricted stock purchase agreement or other agreement with Spansion or under which Spansion has any rights (the Spansion Restricted Stock), then the Common Stock Consideration payable in exchange for such Spansion Restricted Stock also shall be unvested and subject to the same repurchase option or obligation, risk of forfeiture or other condition and need not be paid until such time as such repurchase option, risk of forfeiture or other condition lapses or otherwise terminates, and the certificates representing such shares of Spansion Restricted Stock may accordingly be marked with appropriate legends. Prior to the Effective Time, Spansion shall take all action that may be necessary to ensure that, from and after the Effective Time, Cypress is entitled to exercise any such repurchase option or other right set forth in any such restricted stock purchase agreement or other agreement.

(c) Stock Awards of Spansion.

(i) Stock Options. At the Effective Time, each Spansion Stock Award that is a stock option to purchase shares of Spansion Common Stock (each a Spansion Stock Option) that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable (each, an Assumed Option), shall be assumed by Cypress and converted into an option to acquire that number of shares of Cypress Common Stock equal to the product obtained by multiplying (x) the number of shares of Spansion Common Stock subject to such Spansion Stock Option by (y) the Exchange Ratio, rounded down to the nearest whole share of Cypress Common Stock. Each Assumed Option shall otherwise be subject to the same terms and conditions (including as to vesting and exercisability) as were applicable under the respective Spansion Stock Option immediately prior to the Effective Time, except that each Assumed Option shall have an exercise price per share equal to the quotient obtained by dividing (x) the per share exercise price of Spansion Common Stock subject to such Assumed Option by (y) the Exchange Ratio (which price per share shall be rounded up to the nearest whole cent). It is the intention of the parties that each Assumed Option that qualified as a United States-based incentive stock option (as defined in Section 422 of the Code) shall continue to so qualify, to the maximum extent permissible, following the Effective Time. Notwithstanding the foregoing, if a Stock Option is subject to the Legal Requirements of a non-U.S. jurisdiction and Cypress determines (in good faith and upon advice from Cypress's legal counsel) the Stock Option may not be converted into an Assumed Option under a Legal Requirement of the relevant non-U.S. jurisdiction (including without limitation by reason of a failure to obtain any required regulatory consents or approvals after making reasonable commercial efforts to obtain such consents or approvals) (such Stock Options, the Unassumed Non-U.S. Options), Cypress shall, to ensure compliance with applicable Legal Requirements: (A) require that outstanding Unassumed Non-U.S. Options be accelerated and exercised only by a cashless exercise pursuant to which employees will authorize a broker to sell all shares that they are entitled to at exercise immediately upon exercise and receive the difference between the fair market value of the shares at exercise and the exercise price in cash; (B) provide for conversion of the Unassumed Non-U.S. Options into the right to receive, as soon as practicable after the Effective Time, an amount in cash determined by multiplying (x) the excess, if any, of the Closing Average over the applicable exercise price of such Unassumed Non-U.S. Option by (y) the number of Spansion shares subject to such Unassumed Non-U.S. Option, less all applicable deductions and withholdings required by applicable Legal Requirements to be withheld in respect of such payment; or (C) provide for such other treatment that is in compliance with applicable Legal Requirements and reasonably agreed upon by Cypress and Spansion at least twenty (20) days prior to the Effective Time.

(ii) Restricted Stock Units. At the Effective Time, each Spansion Restricted Stock Unit and Spansion Performance Stock Unit that is outstanding immediately prior to the Effective Time, whether or not then vested or issuable (each, an Assumed Unit), shall be assumed by Cypress; *provided, however*, that each Assumed Unit shall be converted into an award to receive that number of shares of Cypress Common Stock equal to the product obtained by multiplying (x) the number of shares of Spansion Common Stock subject to such Assumed Unit immediately prior to the Effective Time by (y) the Exchange Ratio, rounded down to the nearest whole share of Cypress Common Stock. Each Assumed Unit shall otherwise be subject to the same terms and conditions (including as to vesting and issuance) as were

applicable under the respective Spansion Restricted

A-4

Table of Contents

Stock Unit or Spansion Performance Stock Unit, as applicable, immediately prior to the Effective Time, except that each Assumed Unit that was granted with a purchase price other than par value shall have a purchase price per share equal to the quotient obtained by dividing (x) the per share purchase price of Spansion Common Stock subject to such Assumed Unit by (y) the Exchange Ratio (which price per share shall be rounded up to the nearest whole cent). Notwithstanding the foregoing, if a Restricted Stock Unit or Performance Stock Unit is subject to the Legal Requirements of a non-U.S. jurisdiction and Cypress determines (in good faith and upon advice from Cypress's legal counsel) the Restricted Stock Unit or Performance Stock Unit may not be converted into an Assumed Unit under a Legal Requirement of the relevant non-U.S. jurisdiction (including without limitation by reason of a failure to obtain any required regulatory consents or approvals after making reasonable commercial efforts to obtain such consents or approvals) (such Restricted Stock Units and Performance Stock Units, the Unassumed Non-U.S. Units), Cypress shall, to ensure compliance with applicable Legal Requirements: (A) provide for acceleration and conversion of the Unassumed Non-U.S. Units into the right to receive, as soon as practicable after the Effective Time, an amount in cash determined by multiplying (x) the Closing Average by (y) the number of Spansion shares subject to such Unassumed Non-U.S. Unit, less all applicable deductions and withholdings required by applicable Legal Requirements to be withheld in respect of such payment; or (B) provide for such other treatment that is in compliance with applicable Legal Requirements and reasonably agreed upon by Cypress and Spansion at least twenty (20) days prior to the Effective Time.

(iii) Registration Statements for Assumed Options and Other Awards. As soon as practicable following the Effective Time, but in no event later than ten (10) business days following the Effective Time, Cypress shall file a registration statement under the Securities Act on Form S-8, Form S-3 or another appropriate form (and use its reasonable best efforts to maintain the effectiveness thereof and maintain the current status of the prospectuses contained therein) relating to shares of Cypress Common Stock issuable with respect to all Assumed Options, Assumed Units and the Common Stock Consideration payable in exchange for Spansion Restricted Stock, and shall use its reasonable best efforts to cause such registration statement to remain in effect for so long as such Assumed Options or Assumed Units remain outstanding.

1.5 Further Action. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes or intent of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of Spansion and Merger Sub, the directors and officers of Spansion and Merger Sub shall have the authority to take all such lawful and necessary action.

1.6 Tax Reorganization. The parties hereto intend, for U.S. federal income tax purposes, that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and that this Agreement is hereby adopted as a plan of reorganization within the meaning of Treasury Regulations Section 1.368-2(g).

ARTICLE II

THE CLOSING

2.1 The Closing. The consummation of the Merger shall take place at a closing (the Closing) to occur at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation, 650 Page Mill Road, Palo Alto, California, 94304, on a date and at a time to be agreed upon by Cypress and Spansion, which date shall be no later than the second (2nd) Business Day after the satisfaction or waiver (to the extent permitted hereunder) of the last to be satisfied or waived of the conditions set forth in Section 2.2 (other than those conditions that by their terms are to be satisfied or waived (if permitted hereunder) at the Closing, but subject to the satisfaction or waiver (to the extent permitted hereunder) of such conditions), or at such other location, date and time as Cypress and Spansion shall mutually agree upon in writing. The date upon which the Closing shall actually occur pursuant hereto is referred to herein as the

Closing Date.

A-5

Table of Contents

2.2 Conditions to Closing.

(a) **Mutual Conditions to Closing.** The respective obligations of Cypress, Merger Sub and Spansion to consummate the Merger shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(i) **No Prohibitive Legal Requirements.** No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, entered, or enforced any Legal Requirement that is in effect and has the effect of making the Merger or any other transactions contemplated by this Agreement illegal or prohibiting the consummation of the Merger or any other transactions contemplated by this Agreement.

(ii) **No Prohibitive Orders.** No Governmental Authority of competent jurisdiction shall have issued or granted any Order (whether temporary, preliminary or permanent) that has the effect of making the Merger or any other transactions contemplated by this Agreement illegal or prohibiting the consummation of the Merger or any other transactions contemplated by this Agreement.

(iii) **Effectiveness of the Registration Statement.** The Registration Statement shall have been declared effective by the SEC under the Securities Act. No stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC and no proceeding for that purpose, and no similar proceeding in respect of the Joint Proxy Statement/Prospectus, shall have been initiated or threatened in writing by the SEC.

(iv) **Requisite Stockholder Approvals.** The Requisite Spansion Stockholder Approval and the Requisite Cypress Stockholder Approval shall have been obtained.

(v) **Requisite Regulatory Approvals.**

(A) All waiting periods (and all extensions thereof) applicable to the Merger under the HSR Act and the Antitrust Laws of the Agreed Jurisdictions shall have terminated or expired.

(B) All clearances, consents, approvals, authorizations and Orders applicable to the Merger which are required under any Antitrust Laws of any Agreed Jurisdiction, or in which Cypress and Spansion mutually agree to make a filing under applicable Antitrust Laws, shall have been received and become final and non-appealable.

(vi) **Nasdaq Global Select Market Listing.** The shares of Cypress Common Stock issuable in the Merger, the shares of Cypress Common Stock issuable upon the exercise of all Assumed Options, the shares of Cypress Common Stock issuable in settlement of all Assumed Units, and any shares of Cypress Common Stock issuable upon exchange of the Exchangeable Senior Notes at and after the Effective Time, shall have been authorized for listing on the Nasdaq Global Select Market.

(vii) **Tax Opinions.** Cypress shall have received an opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, and Spansion shall have received an opinion of Fenwick & West LLP, each dated as of the Effective Time and each to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The issuance of such opinions shall be conditioned upon the receipt by such counsel of customary representation letters from each of Cypress, Merger Sub and Spansion, in each case, in form and substance reasonably satisfactory to such counsel. Each such representation letter shall be dated on or before the date of such opinion and shall not have been withdrawn or modified in any material respect.

Table of Contents

(b) Additional Cypress and Merger Sub Conditions to Closing. The obligations of Cypress and Merger Sub to consummate the Merger are also subject to the satisfaction or waiver, on or prior to the Closing, of each the following additional conditions (each of which conditions may be waived exclusively by Cypress and Merger Sub in their sole and absolute discretion):

(i) Compliance with Agreements and Covenants. Spansion shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it at or prior to the Closing Date.

(ii) Accuracy of Representations and Warranties.

(A) The representations and warranties of Spansion set forth in Section 3.1 (Organization and Qualification), Section 3.2 (Authority; Approvals and Enforceability), Section 3.3(b) (Required Filings and Consents), Section 3.4 (Certificate of Incorporation and Bylaws), Section 3.23 (No Ownership of Cypress Capital Stock), Section 3.24 (Takeover Statutes) and Section 3.25 (Brokers, Finders and Financial Advisors) (the Spansion Fundamental Representations) (i) shall have been true and correct in all material respects as of the date of this Agreement, and (ii) shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of such date.

(B) The representations and warranties of Spansion set forth in Section 3.5(a) and Section 3.5(d) (the Spansion Capitalization Representations) shall have been true and correct as of the date of this Agreement and shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of such date, except, in each case, for any inaccuracies that would not, individually or in the aggregate, reflect a change in the number of fully diluted shares of Spansion Common Stock, before giving effect to the Merger, of more than 0.5% from that reflected in the Spansion Capitalization Representations.

(C) The representations and warranties of Spansion set forth in this Agreement (other than the Spansion Fundamental Representations and the Spansion Capitalization Representations) (i) shall have been true and correct as of the date of this Agreement, and (ii) shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of such date, except, in the case of the foregoing clauses (i) and (ii), (A) for any failure to be so true and correct which has not had, and would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, and (B) for those representations and warranties which address matters only as of a particular date (which representations shall have been true and correct as of such particular date, except for any failure to be so true and correct as of such date which has not had, and would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect); *provided, however*, that for purposes of determining the accuracy of the representations and warranties of Spansion set forth in this Agreement for purposes of this Section 2.2(b)(ii)(C), (1) all qualifications based on a Spansion Material Adverse Effect and all materiality qualifications and other qualifications based on the word *material* or similar phrases contained in such representations and warranties shall be disregarded (it being understood and hereby agreed that (x) the phrase *similar phrases* as used in this proviso shall not be deemed to include any dollar thresholds contained in any such representations and warranties, and (y) the representation and warranty set forth in clause (i) of Section 3.10 shall not be disregarded pursuant to the terms of this proviso) and (2) any update of or modification to the Spansion Disclosure Letter made or purported to have been made after the date hereof shall be disregarded.

(iii) No Spansion Material Adverse Effect. Since the date hereof, there shall not have occurred or arisen any Spansion Material Adverse Effect that is continuing.

(iv) Officer's Certificate. Cypress shall have received a certificate, signed for and on behalf of Spansion by the chief executive officer and the chief financial officer of Spansion, certifying the satisfaction of the conditions set forth in this Section 2.2(b).

A-7

Table of Contents

(c) Additional Spansion Conditions to Closing. The obligation of Spansion to consummate the Merger is also subject to the satisfaction or waiver, at or prior to the Closing, of each of the following additional conditions (each of which conditions may be waived exclusively by Spansion in its sole and absolute discretion):

(i) Compliance with Agreements and Covenants. Cypress and Merger Sub shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by them at or prior to the Closing Date.

(ii) Accuracy of Representations and Warranties.

(A) The representations and warranties of Cypress set forth in Section 4.1 (Organization and Qualification), Section 4.2 (Authority; Approvals and Enforceability), Section 4.3(b) (Required Filings and Consents), Section 4.4 (Certificate of Incorporation and Bylaws), Section 4.23 (No Ownership of Spansion Capital Stock), Section 4.24 (Takeover Statutes) and Section 4.25 (Brokers, Finders and Financial Advisors) (the Cypress Fundamental Representations) (i) shall have been true and correct in all material respects as of the date of this Agreement, and (ii) shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of such date.

(B) The representations and warranties of Cypress set forth in Section 4.5(a) and Section 4.5(d) (the Cypress Capitalization Representations) shall have been true and correct as of the date of this Agreement and shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of such date, except, in each case, for any inaccuracies that would not, individually or in the aggregate, reflect a change in the number of fully diluted shares of Cypress Common Stock, before giving effect to the Merger, of more than 0.5% from that reflected in the Cypress Capitalization Representations.

(C) The representations and warranties of Cypress set forth in this Agreement (other than the Cypress Fundamental Representations and the Cypress Capitalization Representations) (i) shall have been true and correct as of the date of this Agreement, and (ii) shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of such date, except, in the case of the foregoing clauses (i) and (ii), (A) for any failure to be so true and correct which has not had, and would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, and (B) for those representations and warranties which address matters only as of a particular date (which representations shall have been true and correct as of such particular date, except for any failure to be so true and correct as of such date which has not had, and would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect); *provided, however*, that for purposes of determining the accuracy of the representations and warranties of Cypress set forth in this Agreement for purposes of this Section 2.2(c)(ii)(C), (1) all qualifications based on a Cypress Material Adverse Effect and all materiality qualifications and other qualifications based on the word material or similar phrases contained in such representations and warranties shall be disregarded (it being understood and hereby agreed that (x) the phrase similar phrases as used in this proviso shall not be deemed to include any dollar thresholds contained in any such representations and warranties, and (y) the representation and warranty set forth in clause (i) of Section 4.10 shall not be disregarded pursuant to the terms of this proviso) and (2) any update of or modification to the Cypress Disclosure Letter made or purported to have been made after the date hereof shall be disregarded.

(iii) No Cypress Material Adverse Effect. Since the date hereof, there shall not have occurred or arisen any Cypress Material Adverse Effect that is continuing.

(iv) Officer's Certificate. Spansion shall have received a certificate, signed for and on behalf of Cypress by the chief executive officer and the chief financial officer of Cypress, certifying the satisfaction of the conditions set forth in this

Section 2.2(c).

A-8

Table of Contents

2.3 Issuance of Merger Consideration After the Closing.

(a) Exchange Agent. Prior to the Closing Date, Cypress and Spansion shall select a mutually acceptable bank or trust company to act as the exchange agent for the Merger (the Exchange Agent) pursuant to an exchange agent agreement between the Exchange Agent and Cypress, in form and substance reasonably satisfactory to Spansion.

(b) Exchange Fund.

(i) Creation of Exchange Fund. As promptly as practicable (and in any event within one (1) Business Day) following the Effective Time, Cypress shall make available to the Exchange Agent for exchange in accordance with this Article I, the shares of Cypress Common Stock issuable pursuant to Section 1.4(b)(i) in exchange for shares of Spansion Common Stock, and the cash payable pursuant to Section 1.4(b)(i) in lieu of fractional shares of Cypress Common Stock. In addition, Cypress shall make available from time to time after the Effective Time as necessary, cash in an amount sufficient to pay any dividends or distributions to which holders of shares of Spansion Common Stock may be entitled pursuant to Section 2.3(d). Any Cypress Common Stock and cash deposited with the Exchange Agent shall hereinafter be referred to as the Exchange Fund.

(ii) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of Certificates or Book Entry Shares twelve (12) months after the Effective Time shall, at the request of Cypress or the Surviving Corporation, be delivered to Cypress or the Surviving Corporation or otherwise according to the instruction of Cypress or the Surviving Corporation, and any holders of the Certificates or Book Entry Shares who have not surrendered such Certificates or Book Entry Shares in compliance with this Section 2.3 shall after such delivery to Cypress and the Surviving Corporation look only to Cypress and the Surviving Corporation for delivery or payment of the shares of Cypress Common Stock issuable in respect thereof pursuant to Section 1.4(b)(i), cash payable in respect thereof pursuant to Section 1.4(b)(i) in lieu of any fractional shares of Cypress Common Stock and any dividends or other distributions payable in respect thereof pursuant to Section 2.3(d).

(c) Exchange Procedures. As promptly as practicable (but in any event within two (2) Business Days) following the Effective Time, Cypress shall cause the Exchange Agent to mail to each holder of record (as of immediately prior to the Effective Time) of a certificate or certificates (the Certificates) that immediately prior to the Effective Time represented outstanding shares of Spansion Common Stock (or effective affidavits of loss in lieu thereof) or non-certificated shares of Spansion Common Stock represented by book entry (Book Entry Shares) (i) a letter of transmittal in customary form as Spansion and Cypress may reasonably agree (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates (or effective affidavits in lieu thereof) or Book Entry Shares to the Exchange Agent) and (ii) instructions for use in effecting the surrender of the Certificates or Book Entry Shares in exchange for certificates representing whole shares of Cypress Common Stock pursuant to Section 1.4(b)(i), cash payable in respect thereof pursuant to Section 1.4(b)(i) in lieu of any fractional shares of Cypress Common Stock and any dividends or other distributions payable in respect thereof pursuant to Section 2.3(d). With respect to uncertificated shares of Spansion Common Stock held through direct registration, Cypress shall implement procedures with the Exchange Agent for effecting the exchange of such directly registered uncertificated shares of Spansion Common Stock for shares of Cypress Common Stock and payment of cash in lieu of any fractional shares pursuant to Section 1.4(b)(i), as promptly as practicable after the Effective Time. Upon surrender of Certificates (or effective affidavits in lieu thereof) or Book Entry Shares for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Cypress, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, the holders of such Certificates or Book Entry Shares shall be entitled to receive in exchange therefor the number of whole shares of Cypress Common Stock (after taking into account all Certificates or such Book Entry Shares surrendered by such holder of record) such holder is entitled to receive pursuant to Section 1.4(b)(i) (which, at the election of Cypress, may

A-9

Table of Contents

be in uncertificated book entry form unless a physical certificate is requested by the holder of record or is otherwise required by applicable Legal Requirements), payment of any cash such holder is entitled to receive pursuant to Section 1.4(b)(i) in lieu of fractional shares of Cypress Common Stock and any dividends or distributions such holder is entitled to receive pursuant to Section 2.3(d), which shares and cash Cypress shall cause the Exchange Agent to distribute as promptly as practicable (but in any event within five (5) Business Days) following surrender of such Certificates or Book Entry Shares and such duly completed and validly executed letter of transmittal, and the Certificates so surrendered shall forthwith be canceled. The Exchange Agent shall accept such Certificates or Book Entry Shares upon compliance with such reasonable terms and conditions as the Exchange Agent may impose for an orderly exchange thereof in accordance with normal exchange practices. No interest shall be paid or accrued for the benefit of holders of the Certificates or Book Entry Shares on the cash amounts payable upon the surrender of such Certificates or such Book Entry Shares pursuant to this Section 2.3. Until so surrendered, from and after the Effective Time outstanding Certificates or Book Entry Shares shall be deemed to evidence only the ownership of the number of full shares of Cypress Common Stock into which such shares of Spansion Common Stock shall have been so converted and the right to receive an amount in cash in lieu of the issuance of any fractional shares in accordance with Section 1.4(b)(i) and any dividends or distributions payable pursuant to Section 2.3(d). Notwithstanding anything to the contrary in this Agreement, Certificates and Book Entry Shares to be exchanged by any Person constituting an affiliate of Spansion for purposes of Rule 145 under the Securities Act shall be subject to the restrictions described in such Rule 145.

(d) Dividends and Distributions. Whenever a dividend or other distribution is declared or made after the date hereof with respect to Cypress Common Stock with a record date after the Effective Time, such declaration shall include a dividend or other distribution in respect of all shares of Cypress Common Stock issuable pursuant to this Agreement. No dividends or other distributions declared or made after the date hereof with respect to Cypress Common Stock with a record date after the Effective Time will be paid to the holders of any unsurrendered Certificates or Book Entry Shares with respect to the shares of Cypress Common Stock represented thereby until the holders of record of such Certificates or such Book Entry Shares shall surrender such Certificates or such Book Entry Shares. Subject to applicable Legal Requirements, following surrender of any such Certificates or such Book Entry Shares, the Exchange Agent shall deliver to the record holders thereof, without interest, promptly after such surrender, the number of whole shares of Cypress Common Stock issued in exchange therefor along with any such dividends or other distributions with a record date after the Effective Time and theretofore paid with respect to such whole shares of Cypress Common Stock.

(e) Lost, Stolen or Destroyed Certificates. In the event that any Certificates shall have been lost, stolen or destroyed, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof, the shares of Cypress Common Stock issuable in respect thereof pursuant to Section 1.4(b)(i), the cash payable in respect thereof pursuant to Section 1.4(b)(i) in lieu of fractional shares of Cypress Common Stock and any dividends or distributions payable in respect thereof pursuant to Section 2.3(d); provided, however, that Cypress may, in its discretion and as a condition precedent to the issuance thereof, require the owners of such lost, stolen or destroyed Certificates to deliver a bond in such reasonable and customary amount as Cypress may direct as indemnity against any claim that may be made against Cypress, the Surviving Corporation or the Exchange Agent with respect to the Certificates alleged to have been lost, stolen or destroyed.

(f) Transferred Shares. In the event that a transfer of ownership of shares of Spansion Common Stock is not registered in the stock transfer books or ledger of Spansion, or if shares of Cypress Common Stock are to be issued in a name other than that in which the Certificates surrendered in exchange therefor are registered, it will be a condition of the issuance thereof that the Certificates so surrendered are properly endorsed and otherwise in proper form for surrender and transfer and the Person requesting such payment has paid to Cypress (or any agent designated by Cypress) any transfer or other Taxes required by reason of the issuance of shares of Cypress Common Stock in any name other than

that of the registered holder of the Certificates surrendered, or established to the satisfaction of Cypress (or any agent designated by Cypress) that such transfer or other Taxes have been paid or are otherwise not payable.

A-10

Table of Contents

(g) **Tax Withholding.** Each of the Exchange Agent, Cypress and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable pursuant to this Agreement to any holder or former holder of Spansion Capital Stock, such amounts as are required to be deducted or withheld therefrom under any provision of U.S. federal, state, local or non U.S. tax law or under any applicable Legal Requirement and to request and receive from such holder or former holder any relevant tax forms, including Form W-9 or the appropriate series of Form W-8, as applicable, or similar information. To the extent such amounts are so deducted or withheld and paid over to the appropriate Governmental Authority, such amounts shall be treated for all purposes as having been paid to the Person to whom such amounts would otherwise have been paid.

(h) **No Liability.** Notwithstanding anything to the contrary set forth in this Agreement, none of the Exchange Agent, Cypress, the Surviving Corporation or any other party hereto shall be liable to a holder of shares of Cypress Common Stock or Spansion Common Stock for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or other similar Legal Requirement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SPANSION

Except (i) as set forth in the disclosure letter that has been prepared by Spansion and delivered by Spansion to Cypress in connection with the execution and delivery of this Agreement, dated as of the date hereof (the **Spansion Disclosure Letter**), which expressly identifies the Section (or, if applicable, subsection) to which such exception relates (it being understood and hereby agreed that any disclosure in the Spansion Disclosure Letter relating to one Section or subsection shall also apply to any other Sections and subsections if and to the extent that it is readily apparent on the face of such disclosure (without reference to the underlying documents referenced therein) that such disclosure also relates to such other Sections or subsections), or (ii) as set forth in any Spansion SEC Reports filed with, or furnished to, the SEC and publicly available prior to the date hereof (other than in any risk factors or other disclosure statements included therein that are cautionary, predictive or forward looking in nature and not statements of historical fact), Spansion hereby represents and warrants to Cypress and Merger Sub as follows:

3.1 **Organization and Qualification.** Spansion is duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority necessary to enable it to own, lease and operate the properties it purports to own, lease or operate and to conduct its business as it is currently conducted. Spansion is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character or location of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed and in good standing would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.2 **Authority: Approvals and Enforceability.**

(a) Spansion has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and subject only to the approval of the Spansion Stockholders as described below, to consummate the Merger and the other transactions contemplated hereby in accordance with the terms hereof.

(b) The execution and delivery of this Agreement by Spansion, and performance by Spansion with its obligations hereunder, and the consummation of the Merger and the other transactions contemplated hereby, and the Spansion Support Agreements, have been duly and validly approved by the Spansion board of directors (the **Spansion Board**). As of the date of this Agreement, the Spansion Board has unanimously determined that this Agreement and the

Merger and other transactions contemplated hereby are advisable and in the best interests of the Spansion stockholders and has unanimously resolved to recommend that the Spansion Stockholders adopt this Agreement (the Spansion Voting Proposal). Prior to making the foregoing determinations, the Spansion

A-11

Table of Contents

Board received an opinion of Morgan Stanley & Co. LLC (Morgan Stanley) to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications and assumptions set forth therein, the Exchange Ratio pursuant to this Agreement is fair, from a financial point of view, to the holders of Spansion Common Stock (other than shares of Spansion Common Stock that are owned by Cypress, Merger Sub, or Spansion, or by any direct or indirect wholly owned Subsidiary of Cypress, Merger Sub, or Spansion, in each case immediately prior to the Effective Time), and as of the date hereof the foregoing opinion has not been withdrawn, revoked or modified in any respect.

(c) Except for the approval of the Spansion Voting Proposal by the affirmative vote of the holders of a majority of the outstanding shares of Spansion Common Stock entitled to vote at a meeting of the Spansion Stockholders called to consider the Spansion Voting Proposal (the Requisite Spansion Stockholder Approval) and assuming the accuracy of the representations and warranties set forth in Section 4.23 of this Agreement, no other corporate proceedings on the part of Spansion are necessary to approve or adopt this Agreement under applicable Legal Requirements and to consummate the Merger and other transactions contemplated hereby in accordance with the terms hereof.

(d) This Agreement has been duly and validly executed and delivered by Spansion, and assuming due authorization, execution and delivery by Cypress and Merger Sub, this Agreement constitutes a valid and binding obligation of Spansion, enforceable against Spansion in accordance with its terms, except insofar as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Legal Requirements affecting creditors' rights generally, or by principles governing the availability of equitable remedies.

3.3 Required Filings and Consents.

(a) The execution and delivery by Spansion of this Agreement do not, and the performance by Spansion of its covenants and agreements under this Agreement and the consummation by Spansion of the transactions contemplated by this Agreement will not, (i) assuming receipt of the Requisite Spansion Stockholder Approval conflict with or violate the Spansion Certificate of Incorporation or the Spansion Bylaws or any Spansion Subsidiary Documents, (ii) assuming receipt of the government approvals contemplated by Section 3.3(b) conflict with or violate any Legal Requirements applicable to Spansion or any of its Subsidiaries or by which its or any of their respective properties is bound or affected, (iii) require notice to or the consent of any Person under, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default), or impair Spansion's or any of its Subsidiaries' rights or alter the rights or obligations of any third party under, or give to any third party any rights of termination, amendment, payment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets (including intangible assets) of Spansion or any of its Subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Spansion or any of its Subsidiaries is a party or by which Spansion or any of its Subsidiaries or its or any of their respective properties is bound or affected, or (iv) give rise to or result in any person having, or having the right to exercise, any preemptive rights, rights of first refusal, rights to acquire or similar rights with respect to any capital stock of Spansion or any of its Subsidiaries or any of their respective assets or properties, except in the case of the preceding clauses (ii) through (iv), inclusive, as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

(b) The execution and delivery by Spansion of this Agreement do not, and the performance by Spansion of its covenants and agreements under this Agreement and the consummation by Spansion of the transactions contemplated by this Agreement (including the Merger) will not, require any consent, approval, order, license, authorization, registration, declaration or permit of, or filing with or notification to, any Governmental Authority, except (i) as may be required by the HSR Act, (ii) as may be required under any foreign antitrust or competition Legal Requirement, (iii) the filing of the Joint Proxy Statement/Prospectus with the SEC in accordance with the Exchange Act and as may

be required under the Securities Act, (iv) such consents, approvals, orders, licenses, authorizations, registrations, declarations, permits, filings, and notifications as may be

A-12

Table of Contents

required under applicable United States federal and state securities laws, (v) the filing of the Certificate of Merger or other documents as required by the DGCL and (vi) such other consents, approvals, orders, registrations, declarations, permits, filings and notifications which, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.4 Certificate of Incorporation and Bylaws. Spansion has heretofore made available to Cypress a complete and accurate copy of the Spansion Certificate of Incorporation and Spansion Bylaws, along with the charter and bylaws (or equivalent organizational documents) each as amended to date, of each of its Subsidiaries (the Spansion Subsidiary Documents). The Spansion Certificate of Incorporation, Spansion Bylaws and Spansion Subsidiary Documents, each as amended to date, are in full force and effect, and neither the Spansion Board nor, to the knowledge of Spansion, any Spansion Stockholder has taken any action to amend the Spansion Certificate of Incorporation or the Spansion Bylaws in any respect. Spansion has not taken any action in breach or violation of any of the provisions of the Spansion Certificate of Incorporation or the Spansion Bylaws, and each Subsidiary is not in breach or violation of any of the material provisions of their respective Spansion Subsidiary Documents, except, in the case of a Subsidiary, as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.5 Capitalization.

(a) The authorized capital stock of Spansion consists of 150,000,000 shares of Spansion Class A Common Stock, 1 share of Spansion Class B Common Stock and 50,000,000 shares of Spansion Preferred Stock. As of November 28, 2014, (i) 62,237,645 shares of Spansion Class A Common Stock were issued and outstanding, (ii) 8,567,203 shares of Spansion Class A Common Stock were reserved for issuance pursuant to outstanding options and awards granted pursuant to Spansion's 2010 Equity Incentive Award Plan (the Spansion 2010 Plan) (with the number of shares of Spansion Class A Common Stock reserved pursuant to outstanding performance stock units calculated based on the maximum performance criteria), (iii) 2,000,000 shares of Spansion Common Stock were reserved for issuance pursuant to Spansion's ESPP, (iv) no shares of Spansion Common Stock were issued and held in the treasury of Spansion, (v) 14,058,105 shares of Spansion Class A Common Stock were reserved for issuance upon exchange of the Exchangeable Senior Notes, (vi) no shares of Spansion Class B Common Stock are issued and outstanding, and (vii) no shares of Preferred Stock are issued and outstanding. Since November 28, 2014, Spansion has not issued any securities (including derivative securities) except for shares of Spansion Class A Common Stock issued upon exercise of Spansion Stock Awards, the vesting of Spansion Restricted Stock Units or the vesting of Spansion Performance Stock Units.

(b) Section 3.5(b) of the Spansion Disclosure Letter sets forth a complete and accurate list of all stock option plans or any other plan or agreement adopted by Spansion that provides for the issuance of equity to any Person (the Spansion Stock Plans). Spansion has made available to Cypress complete and accurate copies of all Spansion Stock Plans and the forms of all award agreements evidencing outstanding Spansion Stock Awards, and all agreements under the Stock Plans that materially deviate from such forms of award agreement.

(c) Section 3.5(c) of the Spansion Disclosure Letter sets forth a complete and accurate list as of December 1, 2014 of all outstanding equity-based awards, whether payable in stock, cash or other property or any combination of the foregoing (the Spansion Stock Awards) granted under any Spansion Stock Plans or otherwise, indicating, with respect to each Spansion Stock Award then outstanding, the type of awards granted, the number of shares of Spansion Common Stock subject to such Spansion Stock Award, the plan under which such Spansion Stock Award was granted and the exercise or purchase price (if any), date of grant, vesting schedule and expiration date thereof, including the extent to which any vesting had occurred as of the date of this Agreement and whether (and to what extent) the vesting of such Spansion Stock Award will be accelerated in any way by the consummation of the transactions contemplated by this Agreement or by the termination of employment or engagement or change in position of any holder thereof

following or in connection with the consummation of the Merger. Spansion has issued certain Spansion Restricted Stock Units or Spansion Performance Stock Units that include terms or conditions that are dependent upon revenue targets, earnings per

A-13

Table of Contents

share, operating margin percentage performance, Spansion's percentile rank of total shareholder return or other comparison-based shareholder returns (Performance Awards), and, such outstanding Performance Awards represent (i) 1,277,471 shares of Spansion Common Stock upon the achievement of the target performance criteria and (ii) 1,484,814 shares of Spansion Common Stock upon the achievement of the maximum performance criteria.

(d) Except as described in Section 3.5(a) or as otherwise expressly permitted by Section 5.2 of this Agreement, no capital stock of Spansion or any of its Subsidiaries or any security convertible or exchangeable into or exercisable for such capital stock, is issued, reserved for issuance or outstanding. Except as described in Section 3.5(c) of this Agreement and except for changes since the date of this Agreement resulting from the exercise of employee stock options outstanding on such date or described on Section 3.5(c) of the Spansion Disclosure Letter, there are no exercisable securities, there are no options, preemptive rights, warrants, calls, rights, commitments, agreements, arrangements or understandings of any kind to which Spansion or any of its Subsidiaries is a party, or by which Spansion or any of its Subsidiaries is bound, obligating Spansion or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of Spansion or any of its Subsidiaries or obligating Spansion or any of its Subsidiaries to grant, extend or accelerate the vesting of or enter into any such option, warrant, call, right, commitment, agreement, arrangement or understanding. There are no stockholder agreements, voting trusts, proxies or other similar agreements, arrangements or understandings to which Spansion or any of its Subsidiaries is a party, or by which it or they are bound, obligating Spansion or any of its Subsidiaries with respect to any shares of capital stock of Spansion or any of its Subsidiaries. There are no rights or obligations, contingent or otherwise (including rights of first refusal in favor of Spansion), of Spansion or any of its Subsidiaries, to repurchase, redeem or otherwise acquire any shares of capital stock of Spansion or any of its Subsidiaries or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any such Subsidiary or any other entity. Other than the Spansion Registration Rights Agreements, there are no registration rights or other agreements, arrangements or understandings to which Spansion or any of its Subsidiaries is a party, or by which it or they are bound, obligating Spansion or any of its Subsidiaries with respect to any shares of Spansion Common Stock or shares of capital stock of any such Subsidiary.

(e) All outstanding shares of Spansion Common Stock are, and all shares of Spansion Common Stock reserved for issuance as specified above will be, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the Spansion Certificate of Incorporation or the Spansion Bylaws or any agreement to which Spansion is a party or otherwise bound. None of the outstanding shares of Spansion Common Stock have been issued in violation of any United States federal or state securities laws. All of the outstanding shares of capital stock of each of the Subsidiaries of Spansion are duly authorized, validly issued, fully paid and nonassessable, and all such shares (other than directors' qualifying shares in the case of foreign Subsidiaries) are owned by Spansion or a Subsidiary of Spansion free and clear of any and all Liens. There are no accrued and unpaid dividends with respect to any outstanding shares of capital stock of Spansion or any of its Subsidiaries.

(f) Spansion Class A Common Stock constitutes the only class of equity securities of Spansion or its Subsidiaries registered or required to be registered under the Exchange Act.

3.6 Subsidiaries. A complete and accurate list of all of the Subsidiaries of Spansion, together with the jurisdiction of incorporation of each Subsidiary and the percentage of each Subsidiary's outstanding capital stock owned by Spansion or another Subsidiary or Affiliate of Spansion, is set forth in Section 3.6 of the Spansion Disclosure Letter. Spansion does not own, directly or indirectly, any capital stock of, or other equity, voting or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity, voting or similar interest in, any Person, excluding securities in any publicly traded company held for investment by Spansion and comprising less than one percent

(1%) of the outstanding stock of such company. Each Subsidiary of Spansion is

A-14

Table of Contents

duly organized, validly existing and in good standing under the Legal Requirements of its jurisdiction of organization (to the extent such concepts exist in such jurisdictions) and has all requisite corporate or other power and authority necessary to enable it to own, lease and operate the properties it purports to own, lease or operate and to conduct its business as it is currently conducted, except to the extent that the failure to be so organized or existing or in good standing or have such power or authority would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect. Each Subsidiary of Spansion is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction (to the extent such concepts exist in such jurisdictions) where the character or location of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed and in good standing would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.7 SEC Reports. Spansion has filed and made available to Cypress (including via the SEC's EDGAR system) all forms, reports, schedules, statements and other documents, including any exhibits thereto, required to be filed by Spansion with the SEC since December 26, 2010 (collectively, the Spansion SEC Reports). The Spansion SEC Reports, including all forms, reports and documents filed by Spansion with the SEC after the date hereof and prior to the Effective Time, (i) were and, in the case of the Spansion SEC Reports filed after the date hereof, will be, prepared in accordance with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, as the case may be, and the rules and regulations thereunder, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), and in the case of such forms, reports and documents filed by Spansion with the SEC after the date of this Agreement, will not as of the time they are filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Spansion SEC Reports or necessary in order to make the statements in such Spansion SEC Reports, in light of the circumstances under which they were and will be made, not misleading. None of the Subsidiaries of Spansion is required to file any forms, reports, schedules, statements or other documents with the SEC. Spansion is eligible to incorporate by reference into the Registration Statement regarding Spansion pursuant to Part B of Form S-4.

3.8 Financial Statements and Internal Controls.

(a) Each of the consolidated financial statements (including, in each case, any related notes and schedules), contained in the Spansion SEC Reports, including any Spansion SEC Reports filed after the date of this Agreement, complied or will comply, as of its respective date, in all material respects with all applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, was or will be prepared in accordance with GAAP (except as may be indicated in the notes thereto) applied on a consistent basis throughout the periods involved and fairly presented in all material respects or will fairly present in all material respects the consolidated financial position of Spansion and its Subsidiaries as of the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that any unaudited interim financial statements are subject to normal and recurring year-end adjustments which have not been and are not expected to be material in amount, individually or in the aggregate.

(b) The chief executive officer and chief financial officer of Spansion have made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act, and the statements contained in any such certifications are complete and correct, and Spansion is otherwise in compliance in all material respects with all applicable effective provisions of the Sarbanes-Oxley Act and the applicable listing and corporate governance rules of the NYSE.

(c) Spansion and each of its Subsidiaries has established and maintains, adheres to and enforces a system of internal accounting controls which are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP, including policies and procedures that

(i) require the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of Spansion and its Subsidiaries, (ii) provide

A-15

Table of Contents

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Spansion and its Subsidiaries are being made only in accordance with appropriate authorizations of management and the Spansion Board and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of Spansion and its Subsidiaries.

(d) To the knowledge of Spansion, since December 29, 2013, neither Spansion nor its independent auditors have identified (i) any significant deficiency or material weakness in the system of internal accounting controls utilized by Spansion and its Subsidiaries, (ii) any fraud, whether or not material, that involves Spansion's management or other employees who have a role in the preparation of financial statements or the internal accounting controls utilized by Spansion and its Subsidiaries or (iii) any claim or allegation regarding any of the foregoing.

(e) Neither Spansion nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, partnership agreement or any similar Contract (including any Contract relating to any transaction, arrangement or relationship between or among Spansion or any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand (such as any arrangement described in Section 303(a)(4) of Regulation S-K of the SEC)) where the purpose or effect of such arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, Spansion or any of its Subsidiaries in Spansion's consolidated financial statements.

(f) Neither Spansion nor any of its Subsidiaries nor, to the knowledge of Spansion, any director, officer, auditor, accountant, consultant or representative of Spansion or any of its Subsidiaries has, since December 29, 2013, received written notice of any substantive complaint, allegation, assertion or claim that Spansion or any of its Subsidiaries has engaged in questionable accounting or auditing practices. No current or former attorney representing Spansion or any of its Subsidiaries has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Spansion or any of its officers, directors, employees or agents to the current the Spansion Board or any committee thereof or to any current director or executive officer of Spansion.

(g) To the knowledge of Spansion, no employee of Spansion or any of its Subsidiaries has provided or is providing information to any law enforcement agency regarding the commission or possible commission of any crime or the violation or possible violation of any applicable Legal Requirements of the type described in Section 806 of the Sarbanes-Oxley Act by Spansion or any of its Subsidiaries. Neither Spansion nor any of its Subsidiaries nor, to the knowledge of Spansion, any director, officer, employee, contractor, subcontractor or agent of Spansion or any such Subsidiary has discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against an employee of Spansion or any of its Subsidiaries in the terms and conditions of employment because of any lawful act of such employee described in Section 806 of the Sarbanes-Oxley Act.

3.9 Undisclosed Liabilities. Except as reflected in the Spansion Balance Sheet, neither Spansion nor any of its Subsidiaries has any Liabilities, other than (i) Liabilities incurred since the date of the Spansion Balance Sheet in the ordinary course of business consistent with past practice, (ii) Liabilities under this Agreement or expressly permitted to be incurred under this Agreement, and (iii) Liabilities that, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Spansion Material Adverse Effect.

3.10 Subsequent Changes. Since the date of the Spansion Balance Sheet through the date hereof, Spansion has conducted its business in the ordinary course of business consistent with past practice and, since such date through the date hereof, there has not occurred (i) any Spansion Material Adverse Effect or (ii) any action taken by Spansion or event that would have required the consent of Cypress pursuant to Sections 5.2 had such action or event occurred after the date of this Agreement.

A-16

Table of Contents

3.11 Real Property. Spansion and each of its Subsidiaries have good and valid title to, or a valid leasehold interest in, all the real properties which it purports to own or lease, including all the real properties reflected in the Spansion Balance Sheet. All real properties reflected in the Spansion Balance Sheet are held free and clear of all Liens, except for Liens reflected on the Spansion Balance Sheet and Liens for current Taxes not yet due and other Liens that do not materially impair the use of the property subject thereto. All real property leases, subleases, licenses or other occupancy agreements to which Spansion or any of its Subsidiaries is a party (collectively, the Spansion Real Property Leases) are in full force and effect, except where the failure of such Spansion Real Property Leases to be in full force and effect would not be reasonably likely to result in a Spansion Material Adverse Effect. There is no default by Spansion or any of its Subsidiaries under any of the Spansion Real Property Leases, or, to the knowledge of Spansion, defaults by any other party thereto, except such defaults as have been waived in writing or cured or such defaults that in the aggregate would not be reasonably likely to result in a Spansion Material Adverse Effect.

3.12 Tangible Property. Spansion and each of its Subsidiaries have good and valid title to, or a valid leasehold interest in, all the tangible properties and assets which it purports to own or lease, including all the tangible properties and assets reflected in the Spansion Balance Sheet. All tangible properties and assets reflected in the Spansion Balance Sheet are held free and clear of all Liens, except for Liens reflected on the Spansion Balance Sheet and Liens for current Taxes not yet due and other Liens that do not materially impair the use of the property or assets subject thereto. The machinery, equipment, furniture, fixtures and other tangible personal property and assets owned, leased or used by Spansion or any of its Subsidiaries are, in the aggregate, sufficient and adequate to carry on their respective businesses in all material respects as conducted as of the date hereof, and Spansion and its Subsidiaries are in possession of and have good title to, or valid leasehold interests in or valid rights under contract to use, such machinery, equipment, furniture, fixtures and other tangible personal property and assets that are material to Spansion and its Subsidiaries, taken as a whole, free and clear of all Liens, except for conditions or defects in title or other Liens that in the aggregate would not be reasonably likely to result in a Spansion Material Adverse Effect.

3.13 Intellectual Property.

(a) Section 3.13(a) of the Spansion Disclosure Letter contains a complete and accurate list of all Patents or other Intellectual Property Rights that are Registered Intellectual Property owned by or registered in the name of Spansion or any of its Subsidiaries (collectively the Spansion Registered Intellectual Property). All material Spansion Registered Intellectual Property is, to the knowledge of Spansion, subsisting and neither invalid nor unenforceable.

(b) All material Spansion Registered Intellectual Property Rights that are owned by Spansion or a Subsidiary of Spansion are owned by Spansion or one or more of its Subsidiaries free and clear of any material Liens (excluding any non-exclusive licenses entered into in the ordinary course of business). To the knowledge of Spansion, all material Spansion Intellectual Property Rights that are owned by Spansion or a Subsidiary of Spansion are, and immediately following the transactions contemplated hereby shall be, freely, transferable, licensable and alienable without the consent of, or notice or payment of any kind to any Governmental Authority or third party. Neither Spansion nor any of its Subsidiaries has in the past 36 months transferred ownership of, or granted an exclusive license to, any third Person, of any Intellectual Property Rights that are or were material Spansion Intellectual Property Rights and that are or were owned by Spansion or a Subsidiary of Spansion.

(c) Neither Spansion nor its Subsidiaries has, in the conduct of the business of Spansion and its Subsidiaries as currently conducted, knowingly infringed upon, violated or used without authorization or license, any Intellectual Property Rights owned by any third Person, except as would not be material to or create material Liability for the business of Spansion and its Subsidiaries, taken as a whole. There is no pending or, to Spansion's knowledge, threatened (and at no time within the three (3) years prior to the date of this Agreement has there been pending any) suit, arbitration or other adversarial proceeding before any court, government agency or arbitral tribunal, or in any

jurisdiction, against Spansion or any of its Subsidiaries, alleging that any activities,

A-17

Table of Contents

products or conduct of Spansion or any of its Subsidiaries business infringes upon, violates or constitutes the unauthorized use of the Intellectual Property Rights of any third Person, or challenging the ownership, validity, or enforceability of any Spansion Intellectual Property Rights. Spansion is not party to any settlements, consents, decrees, stipulations, judgments, or orders resulting from suits, actions or similar legal proceedings, which (i) materially restrict Spansion or any of its Subsidiaries' rights to use, license or transfer any material Spansion Intellectual Property Rights, or (ii) compel or require Spansion or any of its Subsidiaries to license or transfer any material Spansion Intellectual Property Rights.

(d) Except as set forth in Section 3.13(d) of the Spansion Disclosure Letter, there are no pending claims, suits, arbitrations or other adversarial proceedings before any court, government agency or arbitral tribunal brought by Spansion or any of its Subsidiaries against any third party with respect to any Spansion Intellectual Property Rights, which remain unresolved as of the date hereof.

(e) Section 3.13(e) of the Spansion Disclosure Letter contains a complete and accurate list of all material Contracts pursuant to which a third party has licensed to Spansion or any of its Subsidiaries any Intellectual Property Right that is material to the business of Spansion or any Spansion Subsidiary (Spansion In Licenses) taken as a whole, other than Contracts with respect to commercial available Technology that is not included in any Spansion Product or necessary to the manufacture of any Spansion Product and are not otherwise material to the business of Spansion and its Subsidiaries, taken as a whole.

(f) Section 3.13(f) of the Spansion Disclosure Letter contains a complete and accurate list of all material Contracts pursuant to which Spansion or any of its Subsidiaries has granted a third Person or Affiliate any rights or licenses to any material Spansion Intellectual Property Rights other than non-exclusive licenses granted in the ordinary course of business (Spansion Out Licenses, and together with the Spansion In Licenses, the Spansion IP Licenses).

(g) Neither Spansion nor any of its Subsidiaries, nor, to the knowledge of Spansion any other party to a Spansion IP License, is in material breach of any such Spansion IP License that is material to the business of Spansion and its Subsidiaries, taken as a whole. The consummation of the transactions contemplated hereby will not result or cause: (A) (i) the breach by Spansion or any of its Subsidiaries of any Spansion IP License, (ii) the forfeiture, termination, impairment or restriction of any right or license granted to Spansion or any of its Subsidiaries under a Spansion IP License, or (iii) Spansion or any of its Subsidiaries to grant, or expand the scope of a prior grant, to a third party of any rights to any material Spansion Intellectual Property Rights (including by release of any source code), except (with respect to clauses (i), (ii) and (iii)) as would not reasonably be expected to have a Spansion Material Adverse Effect, (B) as a result of any Contract to which Spansion or any of its Subsidiaries is a party, a third party to become licensed to, or otherwise have rights to, any material Intellectual Property Rights of Cypress or any of its Subsidiaries, or (C) cause any royalties fees or other payments to become payable by Spansion or any of its Subsidiaries to any third person as a result of the use of any material Intellectual Property Rights by Spansion or any of its Subsidiaries or cause any existing obligations to pay such royalties, fees or other payments to materially increase (other than due to increased sales of Spansion's Products).

(h) To the knowledge of Spansion, Spansion and its Subsidiaries are in material compliance with all their respective obligations pursuant to any Public Software license agreements under which they license-in Technology that is included in any Spansion Product distributed by Spansion.

3.14 Material Contracts.

(a) For all purposes of and under this Agreement, an Spansion Material Contract shall mean:

(i) any material contract (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC, other than those agreements and arrangements described in Item 601(b)(10)(iii)) with respect to Spansion and its Subsidiaries;

A-18

Table of Contents

(ii) any employment-related Contract or plan, including any stock option, restricted stock unit, performance stock unit, stock appreciation right or stock purchase plan or agreement or material Contract, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the consummation of the transactions contemplated by this Agreement (whether alone or in connection with subsequent or additional events);

(iii) any Contract containing any covenant (A) limiting the right of Spansion or any of its Subsidiaries to engage in any line of business or to compete with any Person in any line of business, or (B) prohibiting Spansion or any of its Subsidiaries (or, after the Closing Date, Cypress) from engaging in business with any Person or levying a fine, charge or other payment for doing so;

(iv) any Contract (A) relating to the pending or future disposition or acquisition by Spansion or any of its Subsidiaries after the date of this Agreement of a material amount of assets other than in the ordinary course of business or (B) pursuant to which Spansion or any of its Subsidiaries will acquire after the date of this Agreement any material ownership interest in any other Person or other business enterprise other than Spansion's Subsidiaries;

(v) any material manufacturing, assembly, testing, development or packaging Contract;

(vi) any mortgages, indentures, guarantees, loans or credit agreements, security agreements or other Contracts relating to the borrowing of money or extension of credit, in each case in excess of \$12,500,000, other than (A) accounts receivables and payables, (B) loans to direct or indirect wholly owned Subsidiaries, and (C) advances to employees for travel and business expenses, in each case in the ordinary course of business consistent with past practice;

(vii) any settlement Contract with ongoing obligations other than (A) releases that are immaterial in nature or amount entered into in the ordinary course of business, (B) settlement Contracts only involving the payment of cash in amounts that do not exceed \$2,500,000 in any individual case, or (C) settlement Contracts relating to Patent licenses entered into in the ordinary course of business, consistent with past practice;

(viii) any Contract that is collectively bargained by Spansion;

(ix) any Contract for the sale of Spansion Products with any customer who, in the year ended December 31, 2013 or the ten months ended October 31, 2014, was one of the 10 largest sources of revenues for Spansion and its Subsidiaries, based on amounts paid or payable;

(x) other than purchase orders in the ordinary course of business, any other Contract that provides for payment obligations by Spansion or any of its Subsidiaries in any twelve (12) month period of \$7,500,000 or more in any individual case that is not terminable by Spansion or its Subsidiaries upon notice of ninety (90) days or less without material liability to Spansion or its Subsidiaries and is not disclosed pursuant to clauses (i) through (ix) above, inclusive; and

(xi) any Contract, or group of Contracts with a Person (or group of affiliated Persons), the termination of which would be reasonably expected to have a Spansion Material Adverse Effect and is not disclosed pursuant to clauses (i) through (x) above, inclusive.

(b) Section 3.14(b) of the Spansion Disclosure Letter contains a complete and accurate list of all Spansion Material Contracts as of the date hereof, to or by which Spansion or any of its Subsidiaries is a party or is bound, and identifies each subsection of Section 3.14(a) that describes such Spansion Material Contract.

(c) Each Spansion Material Contract is valid and binding on Spansion (and/or each such Subsidiary of Spansion party thereto) and is in full force and effect, other than those Contracts that by their terms have expired or been terminated since the date hereof, and neither Spansion nor any of its Subsidiaries party thereto, nor, to the

A-19

Table of Contents

knowledge of Spansion, any other party thereto, is in breach of, or default under, any such Spansion Material Contract, and no event has occurred that with notice or lapse of time or both would constitute such a breach or default thereunder by Spansion or any of its Subsidiaries, or, to the knowledge of Spansion, any other party thereto, except for such failures to be in full force and effect and such breaches and defaults that would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.15 Tax Matters.

(a) Spansion and each of its Subsidiaries have prepared and timely filed (taking into account any extension of time within which to file) all material Tax Returns required to be filed by any of them and all such filed Tax Returns are true, correct and complete in all material respects.

(b) Spansion and each of its Subsidiaries have paid all Taxes that are required to be paid by any of them, except with respect to matters for which adequate reserves have been established on the Financial Statements in accordance with GAAP.

(c) The U.S. consolidated federal income Tax Returns of Spansion have been examined by the Internal Revenue Service (or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired) for all periods ending on or before December 31, 2009.

(d) There are no audits, examinations, investigations or other proceedings in respect of income Taxes or other material Taxes pending or threatened in writing with respect to Spansion or any of its Subsidiaries.

(e) There are no Liens for Taxes on any of the assets of Spansion or any of its Subsidiaries other than Liens for Taxes not yet due and payable or being contested in good faith and for which adequate reserves have been established on the Financial Statements in accordance with GAAP.

(f) None of Spansion or any of its Subsidiaries has been a controlled corporation or a distributing corporation in any distribution occurring during the two-year period ending on the date hereof that was purported or intended to be governed by Section 355 of the Code (or any similar provision of state, local or foreign Legal Requirement).

(g) Spansion and its Subsidiaries are in compliance in all material respects with all terms and conditions of any Tax exemption, Tax holiday or other Tax reduction Contract or order with respect to Spansion and each of its Subsidiaries.

(h) None of Spansion or any of its Subsidiaries has engaged in a reportable transaction, within the meaning of Treas. Reg. Section 1.6011-4(b), including any transaction that is the same or substantially similar to one of the types of transactions that the Internal Revenue Service has determined to be a tax avoidance transaction and identified by notice, regulation or other form of published guidance as a listed transaction, as set forth in Treas. Reg. Section 1.6011-4(b)(2).

3.16 Employee Benefit Matters.

(a) Spansion has made available the complete and accurate material documents for each Spansion Employee Plan. Neither Spansion nor any ERISA Affiliate of Spansion has notified employees of any plan or made any commitment to establish any new Spansion Employee Plan, to modify any Spansion Employee Plan (except to the extent required by law or to conform any such Spansion Employee Plan to the requirements of any applicable law, in each case as previously disclosed to Cypress in writing, or as required by this Agreement), or to adopt or enter into any Spansion Employee Plan.

A-20

Table of Contents

(b) With respect to each Spansion Employee Plan, Spansion has made available to Cypress complete and accurate copies of (i) such Spansion Employee Plan (or a written summary of any unwritten plan) together with all amendments, (ii) in the case of any plan for which Forms 5500 are required to be filed, the three most recent annual reports (Form 5500) with schedules attached, (iii) in the case of any plan that is intended to be qualified under Section 401(a) of the Code, the most recent determination, opinion, notification or advisory letter from the IRS, and correspondence to or from the IRS or the DOL with respect to such letter (iv) each trust agreement, group annuity contract, administration and similar material agreements, investment management or investment advisory agreements, (v) the most recent summary plan descriptions and employee handbook, or other similar material employee communications relating to employee benefits matters, (vi) all personnel, payroll and employment manuals and policies, (vii) the most recent annual and periodic financial statements and other annual accounting of assets for each Spansion Employee Plan that is funded, (viii) all communications material to any employees within the past two (2) years relating to any Spansion Employee Plan and any proposed Spansion Employee Plans, in each case, relating to any amendments, terminations, establishments, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any material liability to Spansion, (ix) all material correspondence to or from any governmental agency relating to any Spansion Employee Plan within the past two (2) years, (ix) the three (3) most recent plan years' discrimination tests for each Spansion Employee Plan, (x) all registration statements, annual reports (Form 11-K and all attachments thereto) and prospectuses prepared in connection with each Spansion Employee Plan, and (xi) the most recent annual actuarial valuations, if any, for each Spansion Employee Plan.

(c) Each Spansion Employee Plan has been established, maintained and administered in all material respects in accordance with all applicable Legal Requirements, including if applicable, ERISA and the Code, and in accordance with its terms, and each of Spansion, Spansion's Subsidiaries and their respective ERISA Affiliates have in all material respects met their obligations with respect to each Spansion Employee Plan and have timely made (or timely will make) all required contributions thereto.

(d) Section 3.16(d) of the Spansion Disclosure Letter contains a complete and accurate list of each Spansion Employee Benefit Plan that has assets which include securities issued by Spansion, any of Spansion's Subsidiaries or any of their respective ERISA Affiliates. Each of Spansion, Spansion's Subsidiaries and their respective ERISA Affiliates have complied in all respects with the Sarbanes-Oxley Act in respect of each such Spansion Employee Plan, and has timely filed any and all filings required under applicable Legal Requirements in respect of each such Spansion Employee Plan.

(e) All Spansion Employee Plans that are intended to be qualified under Section 401(a) of the Code, and all trusts that are intended to be qualified under Section 501(a) of the Code (each, a Spansion Qualified Plan), have received determination, opinion or advisory letters from the Internal Revenue Service to the effect that such Spansion Employee Plans are qualified and the plans and trusts related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, or Spansion has remaining a period of time under applicable U.S. Department of the Treasury regulations or Internal Revenue Service pronouncements in which to apply for such a letter and to make any amendments necessary to obtain a favorable determination as to the qualified status of each such Spansion Qualified Plan. No such determination, opinion or advisory letter has been revoked and, to the knowledge of Spansion, revocation has not been threatened, and no such Spansion Employee Plan has been amended or operated since the date of its most recent determination letter or application therefor in any respect, and no act or omission has occurred, that would reasonably be expected to adversely affect its qualification or materially increase its cost. There has been no termination, partial termination or discontinuance of contributions to any Spansion Qualified Plan that resulted or may reasonably be expected to result in material liability to Spansion. No prohibited transaction, within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Spansion Employee Plan.

(f) Neither Spansion, any of Spansion's Subsidiaries nor any of their respective ERISA Affiliates has in the preceding six (6) years maintained, participated in or contributed to (or been obligated to contribute to), or

A-21

Table of Contents

can reasonably expect to have future liability with respect to (i) Pension Plan subject to Title IV of ERISA or Section 412 of the Code; (ii) a multiemployer plan (as defined in Section 4001(a)(3) of ERISA), (iii) a multiple employer plan as defined in ERISA or the Code, or (iv) a funded welfare plan within the meaning of Section 419 of the Code. No Spansion Employee Plan is funded by, associated with or related to a voluntary employees beneficiary association within the meaning of Section 501(c)(9) of the Code.

(g) To the extent permitted by applicable Legal Requirement, each Spansion Employee Plan (other than Spansion Stock Plans or an employment, severance, change in control or similar agreement with an individual) is amendable and terminable unilaterally by Spansion and any of Spansion's Subsidiaries party thereto or covered thereby at any time without material liability to Spansion or any of its Subsidiaries as a result thereof, other than for benefits accrued as of the date of such amendment or termination and routine administrative costs. No such Spansion Employee Plan has been amended in contravention of the terms of such plan or any legal obligation owed to any participant in such plan.

(h) Other than as required under Section 4980B of the Code or equivalent state law and Section 601 et seq. of ERISA or equivalent state law, none of the Spansion Employee Plans promises or provides health or other welfare benefits (excluding normal claims for benefits under Spansion's group life insurance, accidental death and dismemberment insurance and disability plans and policies) or coverage to any person following retirement or other termination of employment.

(i) There is no action, suit, proceeding, claim, arbitration, audit or investigation pending or, to the knowledge of Spansion, threatened or, to the knowledge of Spansion, reasonably anticipated, with respect to any Spansion Employee Plan or the assets of any Spansion Employee Benefit Plan, other than claims for benefits in the ordinary course. No Spansion Employee Plan is or within the last three calendar years has been the subject of, or has received notice that it is the subject of, examination by a government agency or a participant in a government sponsored amnesty, voluntary compliance or similar program.

(j) To the knowledge of Spansion, each individual who has received compensation for the performance of services on behalf of Spansion, any of Spansion's Subsidiaries or any of their respective ERISA Affiliates has been properly classified as an employee or independent contractor in accordance with applicable Legal Requirement.

(k) To the knowledge of Cypress, each Spansion Employee Plan maintained or covering employees outside the United States (the Spansion Non-U.S. Employee Plans), and the books and records thereof, is in material compliance with all applicable Legal Requirements of each applicable jurisdiction. No such Spansion Non-U.S. Employee Plan has unfunded liabilities in excess of two-million dollars (\$2,000,000), that as of the Effective Time, will not be offset by insurance or fully accrued and, except as required by a Legal Requirement, no condition exists that would prevent Spansion or Cypress from terminating or amending any such Spansion Employee Plan at any time for any reason without liability to Spansion or its ERISA Affiliates (other than ordinary administration expenses or routine claims for benefits). Section 3.16(k) of the Spansion Disclosure Letter contains a complete and accurate list of each country in which Spansion or any of its Subsidiaries or Affiliates has operations as of the Spansion Balance Sheet Date and the approximate number of employees in each such country as of the Spansion Balance Sheet Date.

(l) Section 3.16(l) of the Spansion Disclosure Letter sets forth a complete and accurate list of (i) all employment agreements with employees of Spansion or any of its Subsidiaries, other than customary offer letters and other similar employment agreements entered into in the ordinary course of business or which are terminable at the election of Spansion and under which the aggregate remaining obligations of Spansion would not exceed ten-thousand dollars (\$10,000); and (ii) all operative severance agreements, programs and policies of Spansion or any of its Subsidiaries with or relating to its Section 16 officers, excluding programs and policies required to be maintained by Legal

Requirement.

A-22

Table of Contents

(m) All contributions required to be made with respect to any Spansion Employee Plan on or prior to the Effective Time have been or will be timely made or are reflected on the Spansion Balance Sheet.

(n) The negotiation or consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee, director, consultant or officer of Spansion or any Subsidiary of Spansion to severance pay, or any other payment from Spansion or any of its Subsidiaries, or pursuant to any Spansion Employee Plan, (ii) accelerate the time of distribution, payment or vesting, a lapse of repurchase rights or increase the amount of compensation or benefits due any such employee, director or officer, (iii) result in the forgiveness of indebtedness, or (iv) trigger an obligation to fund benefits. No payment or benefit which will or may be made by Spansion or its ERISA Affiliates with respect to any current or former employee or any other disqualified individual (as defined in Code Section 280G and the regulations thereunder) is reasonably expected to be characterized as a parachute payment, within the meaning of Section 280G(b)(2) of the Code. There is no contract, agreement, plan or arrangement to which Spansion or any of its ERISA Affiliates is a party or by which it is bound to compensate any current or former employee or other disqualified individual for excise taxes paid pursuant to Section 4999 of the Code.

(o) Section 3.16(o) of the Spansion Disclosure Letter contains a complete and accurate list of each nonqualified deferred compensation plan (as such term is defined in Section 409A(d)(1) of the Code) sponsored or maintained by Spansion and each of its ERISA Affiliates. Each such nonqualified deferred compensation plan has been documented and operated in material compliance with Section 409A of the Code.

(p) No stock option, stock appreciation right or service provider warrant of Spansion (i) has an exercise price that has been or may be less than the fair market value of the underlying equity as of the date such option, right or warrant was granted or (ii) has any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of such option or right.

(q) There is no Contract to which Spansion or any of its Subsidiaries is a party, including the provisions of this Agreement, covering any employee, consultant or director of Spansion or any of its Subsidiaries, which, individually or collectively, reasonably could be expected to give rise to the payment of any amount that would not be deductible pursuant to Sections 280G, 404 or 162(m) of the Code.

3.17 Labor Matters.

(a) Spansion and each of its Subsidiaries are in compliance in all material respects with all applicable Legal Requirements respecting employment and employment practices, including all laws respecting terms and conditions of employment, health and safety, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers compensation, labor relations, employee leave issues and unemployment insurance. Spansion and each of its Subsidiaries (i) has withheld and reported all amounts required by law or by agreement to be withheld and reported with respect to wages, salaries and other payments to employees; (ii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing; and (iii) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental authority, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees (other than routine payments to be made in the normal course of business and consistent with past practice), except in each case, for any failure to withhold, report or pay which would have or could reasonably be expected to have a Spansion Material Adverse Effect.

(b) To the knowledge of Spansion: (i) there are no current labor union organizing activities with respect to any employees of Spansion and/or any of its Subsidiaries, (ii) no labor union, labor organization, trade union, works

council, or group of employees of Spansion and/or any of its Subsidiaries has made a pending demand for recognition or certification, (iii) there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or threatened in writing to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority, and (iv) there are no labor strikes or lockouts, or threats thereof, against or affecting Spansion or any of its Subsidiaries.

A-23

Table of Contents

(c) Spansion and each of its Subsidiaries are and have been in material compliance with all notice and other requirements under the Worker Adjustment and Retraining Notification Act of 1988, as amended (the WARN Act), and any similar foreign, state or local law relating to plant closings and layoffs. Neither Spansion nor any of its Subsidiaries is currently engaged in any layoffs or employment terminations sufficient in number to trigger application of the WARN Act or any similar state, local or foreign law. Section 3.17(c) of the Spansion Disclosure Letter contains a complete and accurate list of the names and the sites of employment or facilities of those individuals who suffered an employment loss (as defined in the WARN Act) at any site of employment or facility of Spansion or any of its Subsidiaries during the 90-day period prior to the date of this Agreement. Section 3.17(c) of the Spansion Disclosure Letter shall be updated immediately prior to the Closing with respect to the 90-day period prior to the Closing.

(d) No employee of Spansion or any of its Subsidiaries (i) to the knowledge of Spansion is in violation of any term of any patent disclosure agreement, non-competition agreement, or any restrictive covenant to a former employer relating to the right of any such employee to be employed by Spansion or any of its Subsidiaries because of the nature of the business conducted or presently proposed to be conducted by Spansion or any of its Subsidiaries or relating to the use of trade secrets or proprietary information of others, or (ii) in the case of any key employee or group of key employees, has given notice as of the date of this Agreement to Spansion or any of its Subsidiaries that such employee or any employee in a group of key employees intends to terminate his or her employment with Spansion or any of its Subsidiaries.

(e) Section 3.17(e) of the Spansion Disclosure Letter contains a complete and accurate list of all Legal Requirements, if any, to inform, consult or negotiate with any works counsels or labor unions, labor organizations or trade unions as a result of the negotiation or execution of this Agreement, the performance by Spansion of its obligations hereunder or the consummation of the transactions contemplated hereby, either alone or in connection with additional or subsequent events.

3.18 Environmental Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, no Hazardous Materials are present on any real property that is currently owned, operated, occupied, controlled or leased by Spansion or any of its Subsidiaries or were present on any real property at the time it ceased to be owned, operated, occupied, controlled or leased by Spansion or its Subsidiaries, including the land, the improvements thereon, the groundwater thereunder and the surface water thereon. Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, there are no underground storage tanks, asbestos which is friable or likely to become friable or PCBs present on any real property currently owned, operated, occupied, controlled or leased by Spansion or any of its Subsidiaries or as a consequence of the acts of Spansion, its Subsidiaries or their agents.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, Spansion and its Subsidiaries have conducted all Hazardous Material Activities in compliance in all material respects with all applicable Environmental Laws. Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, the Hazardous Materials Activities of Spansion and its Subsidiaries prior to the Closing have not resulted in the exposure of any person to a Hazardous Material in a manner which has caused or could reasonably be expected to cause an adverse health effect to any such person.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, Spansion and its Subsidiaries have complied in all material respects with all covenants and conditions of any Environmental Permit which is or has been in force with respect to its Hazardous Materials Activities. No

circumstances exist which could reasonably be expected to cause any material Environmental Permit to be revoked, modified, or rendered non-renewable upon payment of the permit fee.

A-24

Table of Contents

(d) No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to the knowledge of Spansion, threatened, concerning or relating to any Environmental Permit or any Hazardous Materials Activity of Spansion or any of its Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

(e) Neither Spansion nor any of its Subsidiaries is aware of any fact or circumstance that could result in any Liability under an Environmental Law which would reasonably be expected to have a Spansion Material Adverse Effect. Except as would not reasonably be expected to have a Spansion Material Adverse Effect, neither Spansion nor any Subsidiary has entered into any Contract that may require it to guarantee, reimburse, pledge, defend, hold harmless or indemnify any other party with respect to liabilities arising out of Environmental Laws or the Hazardous Materials Activities of Spansion or any of its Subsidiaries.

(f) Spansion and the Subsidiaries have delivered to Cypress or made available for inspection by Cypress and its agents, representatives and employees all material environmental site assessments and environmental audits in Spansion's possession or control. Spansion and its Subsidiaries have complied in all material respects with all environmental disclosure obligations imposed by applicable law with respect to this transaction.

3.19 Compliance with Laws.

(a) Generally. Spansion and its Subsidiaries are in compliance with, and are not in default under or violation of (and have not received any notice of material non-compliance, default or violation with respect to) any Legal Requirement applicable to Spansion or any of its Subsidiaries or by which any of their respective properties is bound, except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

(b) Foreign Corrupt Practices Act. Neither Spansion nor any of its Subsidiaries (including any of their respective officers, directors, agents, employees or other Person associated with or acting on their behalf) have, directly or indirectly, taken any action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977 (FCPA), as amended, or any rules or regulations thereunder, the United Kingdom Bribery Act of 2010, Organization of Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or any similar anti-corruption or anti-bribery laws applicable to Spansion or its Subsidiaries (collectively, Anti-Corruption Laws), used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, made, offered or authorized any unlawful payment to foreign or domestic government officials or employees, whether directly or indirectly, or made, offered or authorized any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, whether directly or indirectly, except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect. Neither Spansion, any of its Subsidiaries nor any other entity under their control have conducted an internal investigation, or been informally or formally investigated, charged, or prosecuted, for conduct related to applicable Anti-Corruption Laws. Spansion has established internal controls and procedures to ensure compliance with applicable Anti-Corruption Laws, accurately accounted for all payments to third parties, disclosed all payments or provisions to foreign officials (as defined by the FCPA), and made available all of such documentation to Cypress.

(c) Export Control Laws.

(i) Spansion and each of its Subsidiaries have complied with all applicable export and re-export control and trade and economic sanctions Legal Requirements (Export Controls), including the Export Administration Regulations (EAR) maintained by the U.S. Department of Commerce, trade and economic sanctions maintained by the Treasury

Department's Office of Foreign Assets Control (OFAC), and the International Traffic in Arms Regulations (ITAR) maintained by the Department of State and any applicable

A-25

Table of Contents

anti-boycott compliance regulations except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect. Neither Spansion nor any of its Subsidiaries has directly or indirectly sold, exported, re-exported, transferred, diverted, or otherwise disposed of any products, software, technology, or technical data to any destination, entity, or person prohibited by the Legal Requirements of the United States, without obtaining prior authorization from the competent government authorities as required by Export Controls. Spansion and its Subsidiaries are in compliance with all applicable import Legal Requirements (Import Restrictions), including Title 19 of the U.S. Code and Title 19 of the Code of Federal Regulations.

(ii) Neither Spansion nor any of its Subsidiaries has knowledge of any fact or circumstance that would result in any Liability for any violation of Export Control and Import Restrictions other than as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

(iii) Spansion and its Subsidiaries, including, to the knowledge of Spansion, all of their customs brokers and freight forwarders, have maintained all records required to be maintained regarding the business of Spansion and its Subsidiaries as required under the Export Control and Import Restrictions other than as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect.

3.20 Permits. Spansion and its Subsidiaries hold all permits, licenses, easements, variances, exemptions, consents, certificates, authorizations, registrations, orders and other approvals from Governmental Entities that are material to the operation of the business of Spansion and its Subsidiaries taken as a whole as currently conducted (collectively, the Spansion Permits). The Spansion Permits are in full force and effect, have not been violated in any material respect and, to the knowledge of Spansion, no suspension, revocation or cancellation thereof has been threatened, and there is no Legal Proceeding pending or, to the knowledge of Spansion, threatened, seeking the suspension, revocation or cancellation of any Spansion Permits. No Spansion Permit shall cease to be effective as a result of the consummation of the transactions contemplated by this Agreement.

3.21 Legal Proceedings and Orders.

(a) Legal Proceedings. Except as would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect, there are no material Legal Proceedings (other than arising from or relating to the Merger or any of the other transactions contemplated by this Agreement), (a) pending against Spansion or any of its Subsidiaries or any of their respective properties or assets, or (b) to the knowledge of Spansion, threatened against Spansion or any of its Subsidiaries, or any of their respective properties or assets.

(b) Orders. Neither Spansion nor any Subsidiary of Spansion is subject to any outstanding Order that would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement. There has not been nor are there currently any internal investigations or inquiries being conducted by Spansion, the Spansion Board (or any committee thereof) or any third party at the request of any of the foregoing concerning any financial, accounting, tax, conflict of interest, self-dealing, fraudulent or deceptive conduct or other misfeasance or malfeasance issues.

3.22 Insurance. Summaries of the material terms of all material fire and casualty, general liability, business interruption, product liability, sprinkler and water damage insurance policies and other forms of insurance maintained by Spansion or any of its Subsidiaries have been made available to Cypress upon request. Each such policy is in full force and effect and all premiums due thereon have been paid in full.

3.23 No Ownership of Cypress Capital Stock. Neither Spansion nor any of its Affiliates (nor any of its Associates as defined in Section 203 of the DGCL) is or has been during the past three (3) years an interested stockholder of Cypress as defined in Section 203 of the DGCL. Other than with respect to the Cypress Support Agreements, neither Spansion nor any of its Affiliates (nor any of its Associates as defined in Section 203 of

A-26

Table of Contents

the DGCL) beneficially owns, directly or indirectly, or is the record holder of, and is not (and during the past three (3) years has not been) a party to any agreement (other than this Agreement), arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in each case, any shares of Cypress Common Stock or any option, warrant or other right to acquire any shares of Cypress Common Stock.

3.24 Takeover Statutes. Assuming the accuracy of the representations and warranties set forth in Section 4.23 of this Agreement, the Spansion Board has adopted such resolutions as are necessary to render inapplicable to this Agreement, the Merger and any of the other transactions contemplated thereby, including the Spansion Support Agreements, the restrictions on business combinations (as defined in Section 203 of the DGCL) as set forth in Section 203 of the DGCL. Other than Section 203 of the DGCL, no business combination, fair price, moratorium, control share acquisition or other similar anti-takeover statute or regulation under the laws of the State of Delaware or other applicable Legal Requirement (each, a Takeover Statute) is applicable to Spansion, the Merger or any of the other transactions contemplated by this Agreement or the Spansion Support Agreements.

3.25 Brokers, Finders and Financial Advisors. No broker, finder or investment banker (other than Morgan Stanley and Jefferies LLC (Jefferies)) is entitled to any brokerage, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Spansion or any of its Subsidiaries. Spansion has furnished to Cypress a complete and accurate copy of all agreements between Spansion, on the one hand, and either Morgan Stanley or Jefferies, on the other hand, pursuant to which either of such firms would be entitled to any such payment.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CYPRESS AND MERGER SUB

Except (i) as set forth in the disclosure letter that has been prepared by Cypress and delivered by Cypress to Spansion in connection with the execution and delivery of this Agreement, dated as of the date hereof (the Cypress Disclosure Letter), which expressly identifies the Section (or, if applicable, subsection) to which such exception relates (it being understood and hereby agreed that any disclosure in the Cypress Disclosure Letter relating to one Section or subsection shall also apply to any other Sections and subsections if and to the extent that it is readily apparent on the face of such disclosure (without reference to the underlying documents referenced therein) that such disclosure also relates to such other Sections or subsections), or (ii) as set forth in any Cypress SEC Reports filed with, or furnished to, the SEC and publicly available prior to the date hereof (other than in any risk factors or other disclosure statements included therein that are cautionary, predictive or forward looking in nature and not statements of historical fact), Cypress and Merger Sub hereby represent and warrant to Spansion as follows:

4.1 Organization and Qualification. Each of Cypress and Merger Sub is duly organized, validly existing and in good standing under the laws of the State of Delaware and have all requisite corporate power and authority necessary to enable each to own, lease and operate the properties it purports to own, lease or operate and to conduct its business as it is currently conducted. Each of Cypress and Merger Sub is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character or location of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed and in good standing would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.2 Authority; Approvals and Enforceability.

(a) Each of Cypress and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and subject only to the approval of the Cypress Stockholders as described below, to consummate the Merger and the other transactions contemplated hereby in accordance with the terms hereof.

A-27

Table of Contents

(b) The execution and delivery of this Agreement by Cypress, and performance by Cypress with its obligations hereunder, and the consummation of the Merger and the other transactions contemplated hereby, and the Cypress Support Agreements, have been duly and validly approved by the Cypress board of directors (the Cypress Board). As of the date of this Agreement, the Cypress Board has unanimously determined that this Agreement and the Merger and other transactions contemplated hereby are advisable and in the best interests of the Cypress Stockholders and has unanimously resolved to recommend that the Cypress Stockholders approve the issuance of shares of Cypress Common Stock in the Merger (the Cypress Voting Proposal). Prior to making the foregoing determinations, the Cypress Board received an opinion of Qatalyst Partners LP (Qatalyst Partners) to the effect that, as of the date of such opinion and based upon and subject to the limitations, qualifications and assumptions set forth therein, the Exchange Ratio pursuant to this Agreement is fair, from a financial point of view, to Cypress, and as of the date hereof the foregoing opinion has not been withdrawn, revoked or modified in any respect.

(c) Except for the approval of the Cypress Voting Proposal by the affirmative vote of the majority of shares present in person or represented by proxy at the Cypress Stockholder Meeting called to consider the Cypress Voting Proposal (the Requisite Cypress Stockholder Approval) and assuming the accuracy of the representations and warranties set forth in Section 3.23 of this Agreement, no other corporate proceedings on the part of Cypress are necessary to approve or adopt this Agreement under applicable Legal Requirements and to consummate the Merger and other transactions contemplated hereby in accordance with the terms hereof.

(d) This Agreement has been duly and validly executed and delivered by each of Cypress and Merger Sub, and assuming due authorization, execution and delivery by Spansion, this Agreement constitutes a valid and binding obligation of each of Cypress and Merger Sub, enforceable against each of Cypress and Merger Sub in accordance with its terms, except insofar as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Legal Requirements affecting creditors' rights generally, or by principles governing the availability of equitable remedies.

4.3 Required Filings and Consents.

(a) The execution and delivery by Cypress of this Agreement do not, and the performance by Cypress of its covenants and agreements under this Agreement and the consummation by Cypress of the transactions contemplated by this Agreement will not, (i) assuming receipt of the Requisite Cypress Stockholder Approval, conflict with or violate the Cypress Certificate of Incorporation or the Cypress Bylaws or any Cypress Subsidiary Documents, (ii) assuming receipt of the government approvals contemplated by Section 4.3(b) conflict with or violate any Legal Requirements applicable to Cypress or any of its Subsidiaries or by which its or any of their respective properties is bound or affected, (iii) require notice to or the consent of any Person under, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default), or impair Cypress' s or any of its Subsidiaries rights or alter the rights or obligations of any third party under, or give to any third party any rights of termination, amendment, payment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets (including intangible assets) of Cypress or any of its Subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Cypress or any of its Subsidiaries is a party or by which Cypress or any of its Subsidiaries or its or any of their respective properties is bound or affected, or (iv) give rise to or result in any person having, or having the right to exercise, any preemptive rights, rights of first refusal, rights to acquire or similar rights with respect to any capital stock of Cypress or any of its Subsidiaries or any of their respective assets or properties, except in the case of the preceding clauses (ii) through (iv), inclusive, as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

(b) The execution and delivery by Cypress of this Agreement do not, and the performance by Cypress of its covenants and agreements under this Agreement and the consummation by Cypress of the transactions contemplated by this Agreement (including the Merger) will not, require any consent, approval, order, license, authorization, registration, declaration or permit of, or filing with or notification to, any Governmental Authority,

A-28

Table of Contents

except (i) as may be required by the HSR Act, (ii) as may be required under any foreign antitrust or competition Legal Requirement, (iii) the filing of the Joint Proxy Statement/Prospectus with the SEC in accordance with the Exchange Act and as may be required under the Securities Act, (iv) such consents, approvals, orders, licenses, authorizations, registrations, declarations, permits, filings, and notifications as may be required under applicable United States federal and state securities laws, (v) the filing of the Certificate of Merger or other documents as required by the DGCL and (vi) such other consents, approvals, orders, registrations, declarations, permits, filings and notifications which, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.4 Certificate of Incorporation and Bylaws. Cypress has heretofore made available to Spansion a complete and accurate copy of the Cypress Certificate of Incorporation and Cypress Bylaws, along with the charter and bylaws (or equivalent organizational documents) each as amended to date, of each of its Subsidiaries (the Cypress Subsidiary Documents). The Cypress Certificate of Incorporation, Cypress Bylaws and Cypress Subsidiary Documents, each as amended to date, are in full force and effect, and neither the Cypress Board nor, to the knowledge of Cypress, any Cypress Stockholder has taken any action to amend the Cypress Certificate of Incorporation or the Cypress Bylaws in any respect. Cypress has not taken any action in breach or violation of any of the provisions of the Cypress Certificate of Incorporation or the Cypress Bylaws, and each Subsidiary is not in breach or violation of any of the material provisions of their respective Cypress Subsidiary Documents, except, in the case of a Subsidiary, as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.5 Capitalization.

(a) The authorized capital stock of Cypress consists of 650,000,000 shares of Cypress Common Stock, and 5,000,000 shares of Cypress preferred stock, par value \$0.01 per share (Cypress Preferred Stock). As of November 28, 2014, (i) 162,184,760 shares of Cypress Common Stock were issued and outstanding, (ii) no shares of Cypress Preferred Stock were issued and outstanding, (iii) 2,666,580 shares of Cypress Common Stock were reserved for issuance pursuant to outstanding options and awards granted pursuant to Cypress' s 1999 Stock Option Plan (the Cypress 1999 Stock Plan), (iv) 20,666,005 shares of Cypress Common Stock were reserved for issuance pursuant to outstanding options and awards granted pursuant to Cypress' s 2013 Stock Option Plan (the Cypress 2013 Stock Plan), (v) 1,228,634 shares of Cypress Common Stock were reserved for issuance pursuant to outstanding options and awards granted pursuant to Cypress' s 2012 Incentive Award Plan (the Cypress 2012 Plan), (vi) 3,095,260 shares of Cypress Common Stock were available for purchase pursuant to Cypress' s Employee Stock Purchase Plan (the Cypress ESPP), and (vii) 143,153,553 shares of Cypress Common Stock were issued and held in the treasury of Cypress. Since November 28, 2014, Cypress has not issued any securities (including derivative securities) except for shares of Cypress Common Stock issued upon exercise of stock options or other stock awards.

(b) Section 4.5(b) of the Cypress Disclosure Letter sets forth a complete and accurate list of all stock option plans or any other plan or agreement adopted by Cypress that provides for the issuance of equity to any Person (the Cypress Stock Plans). Cypress has made available to Spansion complete and accurate copies of all Cypress Stock Plans and the forms of all award agreements evidencing outstanding Cypress Stock Awards, and all agreements under the Cypress Stock Plans that materially deviate from such forms of award agreement.

(c) Section 4.5(c) of the Cypress Disclosure Letter sets forth a complete and accurate list as of November 24, 2014 of all outstanding equity-based awards, whether payable in stock, cash or other property or any combination of the foregoing (the Cypress Stock Awards) granted under any Cypress Stock Plans or otherwise, indicating, with respect to each Cypress Stock Award then outstanding, the type of awards granted, the number of shares of Cypress Common Stock subject to such Cypress Stock Award, the plan under which such Cypress Stock Award was granted and the exercise or purchase price (if any), date of grant, vesting schedule and expiration date thereof, including the extent to

which any vesting had occurred as of the date of this Agreement and whether (and to what extent) the vesting of such Cypress Stock Award will be accelerated in any

A-29

Table of Contents

way by the consummation of the transactions contemplated by this Agreement or by the termination of employment or engagement or change in position of any holder thereof following or in connection with the consummation of the Merger. Cypress has issued certain Cypress Restricted Stock Units or Cypress Performance Stock Units that include terms or conditions that are dependent upon revenue targets, earnings per share, operating margin percentage performance, Cypress's percentile rank of total shareholder return or other comparison-based shareholder returns (Performance Awards), and, such outstanding Performance Awards represent (i) 3,672,752 shares of Cypress Common Stock upon the achievement of the target performance criteria and (ii) 7,216,968 shares of Cypress Common Stock upon the achievement of the maximum performance criteria.

(d) Except as described in Section 4.5(a) or as otherwise expressly permitted by Section 5.2 of this Agreement, no capital stock of Cypress or any of its Subsidiaries or any security convertible or exchangeable into or exercisable for such capital stock, is issued, reserved for issuance or outstanding. Except as described in Section 4.5(c) of this Agreement and except for changes since the date of this Agreement resulting from the exercise of employee stock options outstanding on such date or described on Section 4.5(c) of the Cypress Disclosure Letter, there are no exercisable securities, there are no options, preemptive rights, warrants, calls, rights, commitments, agreements, arrangements or understandings of any kind to which Cypress or any of its Subsidiaries is a party, or by which Cypress or any of its Subsidiaries is bound, obligating Cypress or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of Cypress or any of its Subsidiaries or obligating Cypress or any of its Subsidiaries to grant, extend or accelerate the vesting of or enter into any such option, warrant, call, right, commitment, agreement, arrangement or understanding. There are no stockholder agreements, voting trusts, proxies or other similar agreements, arrangements or understandings to which Cypress or any of its Subsidiaries is a party, or by which it or they are bound, obligating Cypress or any of its Subsidiaries with respect to any shares of capital stock of Cypress or any of its Subsidiaries. There are no rights or obligations, contingent or otherwise (including rights of first refusal in favor of Cypress), of Cypress or any of its Subsidiaries, to repurchase, redeem or otherwise acquire any shares of capital stock of Cypress or any of its Subsidiaries or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any such Subsidiary or any other entity. Other than the Cypress Registration Rights Agreement, there are no registration rights or other agreements, arrangements or understandings to which Cypress or any of its Subsidiaries is a party, or by which it or they are bound, obligating Cypress or any of its Subsidiaries with respect to any shares of Cypress Common Stock or shares of capital stock of any such Subsidiary.

(e) All outstanding shares of Cypress Common Stock are, and all shares of Cypress Common Stock reserved for issuance as specified above will be, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the Cypress Certificate of Incorporation or the Cypress Bylaws or any agreement to which Cypress is a party or otherwise bound. None of the outstanding shares of Cypress Common Stock have been issued in violation of any United States federal or state securities laws. All of the outstanding shares of capital stock of each of the Subsidiaries of Cypress are duly authorized, validly issued, fully paid and nonassessable, and all such shares (other than directors' qualifying shares in the case of foreign Subsidiaries) are owned by Cypress or a Subsidiary of Cypress free and clear of any and all Liens. There are no accrued and unpaid dividends with respect to any outstanding shares of capital stock of Cypress or any of its Subsidiaries.

(f) Cypress Common Stock constitutes the only class of equity securities of Cypress or its Subsidiaries registered or required to be registered under the Exchange Act.

4.6 Subsidiaries. A complete and accurate list of all of the Subsidiaries of Cypress, together with the jurisdiction of incorporation of each Subsidiary and the percentage of each Subsidiary's outstanding capital stock owned by Spansion

or another Subsidiary or Affiliate of Cypress, is set forth in Section 4.6 of the Cypress Disclosure Letter. Cypress does not own, directly or indirectly, any capital stock of, or other equity, voting or

A-30

Table of Contents

similar interest in, or any interest convertible into or exchangeable or exercisable for any equity, voting or similar interest in, any Person, excluding securities in any publicly traded company held for investment by Cypress and comprising less than one percent (1%) of the outstanding stock of such company. Each Subsidiary of Cypress is duly organized, validly existing and in good standing under the Legal Requirements of its jurisdiction of organization (to the extent such concepts exist in such jurisdictions) and has all requisite corporate or other power and authority necessary to enable it to own, lease and operate the properties it purports to own, lease or operate and to conduct its business as it is currently conducted, except to the extent that the failure to be so organized or existing or in good standing or have such power or authority would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect. Each Subsidiary of Cypress is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction (to the extent such concepts exist in such jurisdictions) where the character or location of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed and in good standing would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.7 SEC Reports. Cypress has filed and made available to Spansion (including via the SEC's EDGAR system) all forms, reports, schedules, statements and other documents, including any exhibits thereto, required to be filed by Cypress with the SEC since January 2, 2011 (collectively, the Cypress SEC Reports). The Cypress SEC Reports, including all forms, reports and documents filed by Cypress with the SEC after the date hereof and prior to the Effective Time, (i) were and, in the case of the Cypress SEC Reports filed after the date hereof, will be, prepared in accordance with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, as the case may be, and the rules and regulations thereunder, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), and in the case of such forms, reports and documents filed by Cypress with the SEC after the date of this Agreement, will not as of the time they are filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Cypress SEC Reports or necessary in order to make the statements in such Cypress SEC Reports, in light of the circumstances under which they were and will be made, not misleading. None of the Subsidiaries of Cypress is required to file any forms, reports, schedules, statements or other documents with the SEC. Cypress is eligible to incorporate by reference into the Registration Statement regarding Cypress pursuant to Part B of Form S-4.

4.8 Financial Statements and Internal Controls.

(a) Each of the consolidated financial statements (including, in each case, any related notes and schedules), contained in the Cypress SEC Reports, including any Cypress SEC Reports filed after the date of this Agreement, complied or will comply, as of its respective date, in all material respects with all applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, was or will be prepared in accordance with GAAP (except as may be indicated in the notes thereto) applied on a consistent basis throughout the periods involved and fairly presented in all material respects or will fairly present in all material respects the consolidated financial position of Cypress and its Subsidiaries as of the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated, except that any unaudited interim financial statements are subject to normal and recurring year-end adjustments which have not been and are not expected to be material in amount, individually or in the aggregate.

(b) The chief executive officer and chief financial officer of Cypress have made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act, and the statements contained in any such certifications are complete and correct, and Cypress is otherwise in compliance in all material respects with all applicable effective provisions of the Sarbanes-Oxley Act and the applicable listing and corporate governance rules of the Nasdaq Global Select Market.

(c) Cypress and each of its Subsidiaries has established and maintains, adheres to and enforces a system of internal accounting controls which are effective in providing reasonable assurance regarding the reliability of

A-31

Table of Contents

financial reporting and the preparation of financial statements in accordance with GAAP, including policies and procedures that (i) require the maintenance of records that in reasonable detail accurately and fairly reflect the material transactions and dispositions of the assets of Cypress and its Subsidiaries, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Cypress and its Subsidiaries are being made only in accordance with appropriate authorizations of management and the Cypress Board and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of Cypress and its Subsidiaries.

(d) To the knowledge of Cypress, since December 29, 2013, neither Cypress nor its independent auditors have identified (i) any significant deficiency or material weakness in the system of internal accounting controls utilized by Cypress and its Subsidiaries, (ii) any fraud, whether or not material, that involves Cypress's management or other employees who have a role in the preparation of financial statements or the internal accounting controls utilized by Cypress and its Subsidiaries or (iii) any claim or allegation regarding any of the foregoing.

(e) Neither Cypress nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, partnership agreement or any similar Contract (including any Contract relating to any transaction, arrangement or relationship between or among Cypress or any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand (such as any arrangement described in Section 303(a)(4) of Regulation S-K of the SEC)) where the purpose or effect of such arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, Cypress or any of its Subsidiaries in Cypress's consolidated financial statements.

(f) Neither Cypress nor any of its Subsidiaries nor, to the knowledge of Cypress, any director, officer, auditor, accountant, consultant or representative of Cypress or any of its Subsidiaries has, since December 29, 2013, received written notice of any substantive complaint, allegation, assertion or claim that Cypress or any of its Subsidiaries has engaged in questionable accounting or auditing practices. No current or former attorney representing Cypress or any of its Subsidiaries has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Cypress or any of its officers, directors, employees or agents to the current the Cypress Board or any committee thereof or to any current director or executive officer of Cypress.

(g) To the knowledge of Cypress, no employee of Cypress or any of its Subsidiaries has provided or is providing information to any law enforcement agency regarding the commission or possible commission of any crime or the violation or possible violation of any applicable Legal Requirements of the type described in Section 806 of the Sarbanes-Oxley Act by Cypress or any of its Subsidiaries. Neither Cypress nor any of its Subsidiaries nor, to the knowledge of Cypress, any director, officer, employee, contractor, subcontractor or agent of Cypress or any such Subsidiary has discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against an employee of Cypress or any of its Subsidiaries in the terms and conditions of employment because of any lawful act of such employee described in Section 806 of the Sarbanes-Oxley Act.

4.9 Undisclosed Liabilities. Except as reflected in the Cypress Balance Sheet, neither Cypress nor any of its Subsidiaries has any Liabilities, other than (i) Liabilities incurred since the date of the Cypress Balance Sheet in the ordinary course of business consistent with past practice, (ii) Liabilities under this Agreement or expressly permitted to be incurred under this Agreement, and (iii) Liabilities that, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Cypress Material Adverse Effect.

4.10 Subsequent Changes. Since the date of the Cypress Balance Sheet through the date hereof, Cypress has conducted its business in the ordinary course of business consistent with past practice and, since such date through the date hereof, there has not occurred (i) any Cypress Material Adverse Effect or (ii) any action taken by Cypress or

event that would have required the consent of Spansion pursuant to Sections 5.2 had such action or event occurred after the date of this Agreement.

A-32

Table of Contents

4.11 Real Property. Cypress and each of its Subsidiaries have good and valid title to, or a valid leasehold interest in, all the real properties which it purports to own or lease, including all the real properties reflected in the Spanion Balance Sheet. All real properties reflected in the Cypress Balance Sheet are held free and clear of all Liens, except for Liens reflected on the Cypress Balance Sheet and Liens for current Taxes not yet due and other Liens that do not materially impair the use of the property subject thereto. All real property leases, subleases, licenses or other occupancy agreements to which Cypress or any of its Subsidiaries is a party (collectively, the Cypress Real Property Leases) are in full force and effect, except where the failure of such Cypress Real Property Leases to be in full force and effect would not be reasonably likely to result in a Cypress Material Adverse Effect. There is no default by Cypress or any of its Subsidiaries under any of the Cypress Real Property Leases, or, to the knowledge of Cypress, defaults by any other party thereto, except such defaults as have been waived in writing or cured or such defaults that in the aggregate would not be reasonably likely to result in a Cypress Material Adverse Effect.

4.12 Tangible Property. Cypress and each of its Subsidiaries have good and valid title to, or a valid leasehold interest in, all the tangible properties and assets which it purports to own or lease, including all the tangible properties and assets reflected in the Cypress Balance Sheet. All tangible properties and assets reflected in the Cypress Balance Sheet are held free and clear of all Liens, except for Liens reflected on the Cypress Balance Sheet and Liens for current Taxes not yet due and other Liens that do not materially impair the use of the property or assets subject thereto. The machinery, equipment, furniture, fixtures and other tangible personal property and assets owned, leased or used by Cypress or any of its Subsidiaries are, in the aggregate, sufficient and adequate to carry on their respective businesses in all material respects as conducted as of the date hereof, and Cypress and its Subsidiaries are in possession of and have good title to, or valid leasehold interests in or valid rights under contract to use, such machinery, equipment, furniture, fixtures and other tangible personal property and assets that are material to Cypress and its Subsidiaries, taken as a whole, free and clear of all Liens, except for conditions or defects in title or other Liens that in the aggregate would not be reasonably likely to result in a Cypress Material Adverse Effect.

4.13 Intellectual Property.

(a) Section 4.13(a) of the Cypress Disclosure Letter contains a complete and accurate list of all Patents or other Intellectual Property Rights that are Registered Intellectual Property owned by or registered in the name of Cypress or any of its Subsidiaries (collectively the Cypress Registered Intellectual Property). All material Cypress Registered Intellectual Property is, to the knowledge of Cypress, subsisting and neither invalid nor unenforceable.

(b) All material Cypress Registered Intellectual Property Rights that are owned by Cypress or a Subsidiary of Cypress are owned by Cypress or one or more of its Subsidiaries free and clear of any material Liens (excluding any non-exclusive licenses entered into in the ordinary course of business). To the knowledge of Cypress, all material Cypress Intellectual Property Rights that are owned by Cypress or a Subsidiary of Cypress are, and immediately following the transactions contemplated hereby shall be, freely, transferable, licensable and alienable without the consent of, or notice or payment of any kind to any Governmental Authority or third party. Neither Cypress nor any of its Subsidiaries has in the past 36 months transferred ownership of, or granted an exclusive license to, any third Person, of any Intellectual Property Rights that are or were material Cypress Intellectual Property Rights and that are or were owned by Cypress or a Subsidiary of Cypress.

(c) Neither Cypress nor its Subsidiaries has, in the conduct of the business of Cypress and its Subsidiaries as currently conducted, knowingly infringed upon, violated or used without authorization or license, any Intellectual Property Rights owned by any third Person, except as would not be material to or create material Liability for the business of Cypress and its Subsidiaries, taken as a whole. There is no pending or, to Cypress's knowledge, threatened (and at no time within the three (3) years prior to the date of this Agreement has there been pending any) suit, arbitration or other adversarial proceeding before any court, government agency or arbitral tribunal, or in any jurisdiction, against Cypress

or any of its Subsidiaries, alleging that any activities,

A-33

Table of Contents

products or conduct of Cypress or any of its Subsidiaries business infringes upon, violates or constitutes the unauthorized use of the Intellectual Property Rights of any third Person, or challenging the ownership, validity, or enforceability of any Cypress Intellectual Property Rights. Cypress is not party to any settlements, consents, decrees, stipulations, judgments, or orders resulting from suits, actions or similar legal proceedings, which (i) materially restrict Cypress or any of its Subsidiaries' rights to use, license or transfer any material Cypress Intellectual Property Rights, or (ii) compel or require Cypress or any of its Subsidiaries to license or transfer any material Cypress Intellectual Property Rights.

(d) Except as set forth in Section 3.13(d) of the Cypress Disclosure Letter, there are no pending claims, suits, arbitrations or other adversarial proceedings before any court, government agency or arbitral tribunal brought by Cypress or any of its Subsidiaries against any third party with respect to any Cypress Intellectual Property Rights, which remain unresolved as of the date hereof.

(e) Section 4.13(e) of the Cypress Disclosure Letter contains a complete and accurate list of all material Contracts pursuant to which a third party has licensed to Cypress or any of its Subsidiaries any Intellectual Property Right that is material to the business of Cypress or any Cypress Subsidiary (Cypress In Licenses) taken as a whole, other than Contracts with respect to commercial available Technology that is not included in any Cypress Product or necessary to the manufacture of any Cypress Product and are not otherwise material to the business of Cypress and its Subsidiaries, taken as a whole.

(f) Section 4.13(f) of the Cypress Disclosure Letter contains a complete and accurate list of all material Contracts pursuant to which Cypress or any of its Subsidiaries has granted a third Person or Affiliate any rights or licenses to any material Cypress Intellectual Property Rights other than non-exclusive licenses granted in the ordinary course of business (Cypress Out Licenses, and together with the Cypress In Licenses, the Cypress IP Licenses).

(g) Neither Cypress nor any of its Subsidiaries, nor, to the knowledge of Cypress any other party to a Cypress IP License, is in material breach of any such Cypress IP License that is material to the business of Cypress and its Subsidiaries, taken as a whole. The consummation of the transactions contemplated hereby will not result or cause: (A) (i) the breach by Cypress or any of its Subsidiaries of any Cypress IP License, (ii) the forfeiture, termination, impairment or restriction of any right or license granted to Cypress or any of its Subsidiaries under a Cypress IP License, or (iii) Cypress or any of its Subsidiaries to grant, or expand the scope of a prior grant, to a third party of any rights to any material Cypress Intellectual Property Rights (including by release of any source code), except (with respect to clauses (i), (ii) and (iii)) as would not reasonably be expected to have a Cypress Material Adverse Effect, (B) as a result of any Contract to which Cypress or any of its Subsidiaries is a party, a third party to become licensed to, or otherwise have rights to, any material Intellectual Property Rights of Cypress or any of its Subsidiaries, or (C) cause any royalties fees or other payments to become payable by Cypress or any of its Subsidiaries to any third person as a result of the use of any material Intellectual Property Rights by Cypress or any of its Subsidiaries or cause any existing obligations to pay such royalties, fees or other payments to materially increase (other than due to increased sales of Cypress's Products).

(h) To the knowledge of Cypress, Cypress and its Subsidiaries are in material compliance with all their respective obligations pursuant to any Public Software license agreements under which they license-in Technology that is included in any Cypress Product distributed by Cypress.

4.14 Material Contracts.

(a) For all purposes of and under this Agreement, a Cypress Material Contract shall mean:

(i) any material contract (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC, other than those agreements and arrangements described in Item 601(b)(10)(iii)) with respect to Cypress and its Subsidiaries;

A-34

Table of Contents

(ii) any employment-related Contract or plan, including any stock option, restricted stock unit, performance stock unit, stock appreciation right or stock purchase plan or agreement or material Contract, any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the consummation of the transactions contemplated by this Agreement (whether alone or in connection with subsequent or additional events);

(iii) any Contract containing any covenant (A) limiting the right of Cypress or any of its Subsidiaries to engage in any line of business or to compete with any Person in any line of business, or (B) prohibiting Cypress or any of its Subsidiaries (or, after the Closing Date, Spansion) from engaging in business with any Person or levying a fine, charge or other payment for doing so;

(iv) any Contract (A) relating to the pending or future disposition or acquisition by Cypress or any of its Subsidiaries after the date of this Agreement of a material amount of assets other than in the ordinary course of business or (B) pursuant to which Cypress or any of its Subsidiaries will acquire after the date of this Agreement any material ownership interest in any other Person or other business enterprise other than Cypress's Subsidiaries;

(v) any material manufacturing, assembly, testing, development or packaging Contract;

(vi) any mortgages, indentures, guarantees, loans or credit agreements, security agreements or other Contracts relating to the borrowing of money or extension of credit, in each case in excess of \$12,500,000, other than (A) accounts receivables and payables, (B) loans to direct or indirect wholly owned Subsidiaries, and (C) advances to employees for travel and business expenses, in each case in the ordinary course of business consistent with past practice;

(vii) any settlement Contract with ongoing obligations other than (A) releases that are immaterial in nature or amount entered into in the ordinary course of business, (B) settlement Contracts only involving the payment of cash in amounts that do not exceed \$2,500,000 in any individual case, or (C) settlement Contracts relating to Patent licenses entered into in the ordinary course of business, consistent with past practice;

(viii) any Contract that is collectively bargained by Cypress;

(ix) any Contract for the sale of Cypress Products with any customer who, in the year ended December 31, 2013 or the ten months ended October 31, 2014, was one of the 10 largest sources of revenues for Cypress and its Subsidiaries, based on amounts paid or payable;

(x) other than purchase orders in the ordinary course of business, any other Contract that provides for payment obligations by Cypress or any of its Subsidiaries in any twelve (12) month period of \$7,500,000 or more in any individual case that is not terminable by Cypress or its Subsidiaries upon notice of ninety (90) days or less without material liability to Cypress or its Subsidiaries and is not disclosed pursuant to clauses (i) through (ix) above, inclusive; and

(xi) any Contract, or group of Contracts with a Person (or group of affiliated Persons), the termination of which would be reasonably expected to have a Cypress Material Adverse Effect and is not disclosed pursuant to clauses (i) through (x) above, inclusive.

(b) Section 4.14(b) of the Cypress Disclosure Letter contains a complete and accurate list of all Cypress Material Contracts as of the date hereof, to or by which Cypress or any of its Subsidiaries is a party or is bound, and identifies each subsection of Section 4.14(a) that describes such Cypress Material Contract.

(c) Each Cypress Material Contract is valid and binding on Cypress (and/or each such Subsidiary of Cypress party thereto) and is in full force and effect, other than those Contracts that by their terms have expired

A-35

Table of Contents

or been terminated since the date hereof, and neither Cypress nor any of its Subsidiaries party thereto, nor, to the knowledge of Cypress, any other party thereto, is in breach of, or default under, any such Cypress Material Contract, and no event has occurred that with notice or lapse of time or both would constitute such a breach or default thereunder by Cypress or any of its Subsidiaries, or, to the knowledge of Cypress, any other party thereto, except for such failures to be in full force and effect and such breaches and defaults that would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.15 Tax Matters.

(a) Cypress and each of its Subsidiaries have prepared and timely filed (taking into account any extension of time within which to file) all material Tax Returns required to be filed by any of them and all such filed Tax Returns are true, correct and complete in all material respects.

(b) Cypress and each of its Subsidiaries have paid all Taxes that are required to be paid by any of them, except with respect to matters for which adequate reserves have been established on the Financial Statements in accordance with GAAP.

(c) The U.S. consolidated federal income Tax Returns of Cypress have been examined by the Internal Revenue Service (or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired) for all periods ending on or before December 31, 2009.

(d) There are no audits, examinations, investigations or other proceedings in respect of income Taxes or other material Taxes pending or threatened in writing with respect to Cypress or any of its Subsidiaries.

(e) There are no Liens for Taxes on any of the assets of Cypress or any of its Subsidiaries other than Liens for Taxes not yet due and payable or being contested in good faith and for which adequate reserves have been established on the Financial Statements in accordance with GAAP.

(f) None of Cypress or any of its Subsidiaries has been a controlled corporation or a distributing corporation in any distribution occurring during the two-year period ending on the date hereof that was purported or intended to be governed by Section 355 of the Code (or any similar provision of state, local or foreign Legal Requirement).

(g) Cypress and its Subsidiaries are in compliance in all material respects with all terms and conditions of any Tax exemption, Tax holiday or other Tax reduction Contract or order with respect to Cypress and each of its Subsidiaries.

(h) None of Cypress or any of its Subsidiaries has engaged in a reportable transaction, within the meaning of Treas. Reg. Section 1.6011-4(b), including any transaction that is the same or substantially similar to one of the types of transactions that the Internal Revenue Service has determined to be a tax avoidance transaction and identified by notice, regulation or other form of published guidance as a listed transaction, as set forth in Treas. Reg. Section 1.6011-4(b)(2).

4.16 Employee Benefit Matters.

(a) Cypress has made available the complete and accurate material documents for each Cypress Employee Plan. Neither Cypress nor any ERISA Affiliate of Cypress has notified employees of any plan or made any commitment to establish any new Cypress Employee Plan, to modify any Cypress Employee Plan (except to the extent required by law or to conform any such Cypress Employee Plan to the requirements of any applicable law, in each case as previously disclosed to Spansion in writing, or as required by this Agreement), or to adopt or enter into any Cypress

Employee Plan.

A-36

Table of Contents

(b) With respect to each Cypress Employee Plan, Cypress has made available to Spansion complete and accurate copies of (i) such Cypress Employee Plan (or a written summary of any unwritten plan) together with all amendments, (ii) in the case of any plan for which Forms 5500 are required to be filed, the three most recent annual reports (Form 5500) with schedules attached, (iii) in the case of any plan that is intended to be qualified under Section 401(a) of the Code, the most recent determination, opinion, notification or advisory letter from the IRS, and correspondence to or from the IRS or the DOL with respect to such letter, (iv) each trust agreement, group annuity contract, administration and similar material agreements, investment management or investment advisory agreements, (v) the most recent summary plan descriptions and employee handbook, or other similar material employee communications relating to employee benefits matters, (vi) all personnel, payroll and employment manuals and policies, (vii) the most recent annual and periodic financial statements and other annual accounting of assets for each Cypress Employee Plan that is funded, (viii) all communications material to any employees within the past two (2) years relating to any Cypress Employee Plan and any proposed Cypress Employee Plans, in each case, relating to any amendments, terminations, establishments, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any material liability to Cypress, (ix) all material correspondence to or from any governmental agency relating to any Cypress Employee Plan within the past two (2) years, (ix) the three (3) most recent plan years' discrimination tests for each Cypress Employee Plan, (x) all registration statements, annual reports (Form 11-K and all attachments thereto) and prospectuses prepared in connection with each Cypress Employee Plan, and (xi) the most recent annual actuarial valuations, if any, for each Cypress Employee Plan.

(c) Each Cypress Employee Plan has been established, maintained and administered in all material respects in accordance with all applicable Legal Requirements, including if applicable, ERISA and the Code, and in accordance with its terms, and each of Cypress, Cypress's Subsidiaries and their respective ERISA Affiliates have in all material respects met their obligations with respect to each Cypress Employee Plan and have timely made (or timely will make) all required contributions thereto.

(d) Section 4.16(d) of the Cypress Disclosure Letter contains a complete and accurate list of each Cypress Employee Benefit Plan that has assets which include securities issued by Cypress, any of Cypress's Subsidiaries or any of their respective ERISA Affiliates. Each of Cypress, Cypress's Subsidiaries and their respective ERISA Affiliates have complied in all respects with the Sarbanes-Oxley Act in respect of each such Cypress Employee Plan, and has timely filed any and all filings required under applicable Legal Requirements in respect of each such Cypress Employee Plan.

(e) All Cypress Employee Plans that are intended to be qualified under Section 401(a) of the Code, and all trusts that are intended to be qualified under Section 501(a) of the Code (each, a Cypress Qualified Plan), have received determination, opinion or advisory letters from the Internal Revenue Service to the effect that such Cypress Employee Plans are qualified and the plans and trusts related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, or Cypress has remaining a period of time under applicable U.S. Department of the Treasury regulations or Internal Revenue Service pronouncements in which to apply for such a letter and to make any amendments necessary to obtain a favorable determination as to the qualified status of each such Cypress Qualified Plan. No such determination, opinion or advisory letter has been revoked and, to the knowledge of Cypress, revocation has not been threatened, and no such Cypress Employee Plan has been amended or operated since the date of its most recent determination letter or application therefor in any respect, and no act or omission has occurred, that would reasonably be expected to adversely affect its qualification or materially increase its cost. There has been no termination, partial termination or discontinuance of contributions to any Cypress Qualified Plan that resulted or may reasonably be expected to result in material liability to Cypress. No prohibited transaction, within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Cypress Employee Plan.

(f) Neither Cypress, any of Cypress's Subsidiaries nor any of their respective ERISA Affiliates has in the preceding six (6) years maintained, participated in or contributed to (or been obligated to contribute to), or

A-37

Table of Contents

can reasonably expect to have future liability with respect to (i) Pension Plan subject to Title IV of ERISA or Section 412 of the Code; (ii) a multiemployer plan (as defined in Section 4001(a)(3) of ERISA), (iii) a multiple employer plan as defined in ERISA or the Code, or (iv) a funded welfare plan within the meaning of Section 419 of the Code. No Cypress Employee Plan is funded by, associated with or related to a voluntary employees beneficiary association within the meaning of Section 501(c)(9) of the Code.

(g) To the extent permitted by applicable Legal Requirement, each Cypress Employee Plan (other than Cypress Stock Plans or an employment, severance, change in control or similar agreement with an individual) is amendable and terminable unilaterally by Cypress and any of Cypress's Subsidiaries party thereto or covered thereby at any time without material liability to Cypress or any of its Subsidiaries as a result thereof, other than for benefits accrued as of the date of such amendment or termination and routine administrative costs. No such Cypress Employee Plan has been amended in contravention of the terms of such plan or any legal obligation owed to any participant in such plan.

(h) Other than as required under Section 4980B of the Code or equivalent state law and Section 601 et seq. of ERISA or equivalent state law, none of the Cypress Employee Plans promises or provides health or other welfare benefits (excluding normal claims for benefits under Cypress's group life insurance, accidental death and dismemberment insurance and disability plans and policies) or coverage to any person following retirement or other termination of employment.

(i) There is no action, suit, proceeding, claim, arbitration, audit or investigation pending or, to the knowledge of Cypress, threatened or to the knowledge of Cypress, reasonably anticipated, with respect to any Cypress Employee Plan or the assets of any Cypress Employee Benefit Plan, other than claims for benefits in the ordinary course. No Cypress Employee Plan is or within the last three calendar years has been the subject of, or has received notice that it is the subject of, examination by a government agency or a participant in a government sponsored amnesty, voluntary compliance or similar program.

(j) To the knowledge of Cypress, each individual who has received compensation for the performance of services on behalf of Cypress, any of Cypress's Subsidiaries or any of their respective ERISA Affiliates has been properly classified as an employee or independent contractor in accordance with applicable Legal Requirement.

(k) To the knowledge, Cypress, each Cypress Employee Plan maintained or covering employees outside the United States (the Cypress Non-U.S. Employee Plans), and the books and records thereof, is in material compliance with all applicable Legal Requirements of each applicable jurisdiction. No such Cypress Non-U.S. Employee Plan has unfunded liabilities in excess of two-million dollars (\$2,000,000), that as of the Effective Time, will not be offset by insurance or fully accrued and, except as required by a Legal Requirement, no condition exists that would prevent Cypress or Spansion from terminating or amending any such Cypress Employee Plan at any time for any reason without liability to Cypress or its ERISA Affiliates (other than ordinary administration expenses or routine claims for benefits). Section 4.16(k) of the Cypress Disclosure Letter contains a complete and accurate list of each country in which Cypress or any of its Subsidiaries or Affiliates has operations as of the Cypress Balance Sheet Date and the approximate number of employees in each such country as of the Cypress Balance Sheet Date.

(l) Section 4.16(l) of the Cypress Disclosure Letter sets forth a complete and accurate list of (i) all employment agreements with employees of Cypress or any of its Subsidiaries, other than customary offer letters and other similar employment agreements entered into in the ordinary course of business or which are terminable at the election of Cypress and under which the aggregate remaining obligations of Cypress would not exceed ten-thousand dollars (\$10,000); and (ii) all operative severance agreements, programs and policies of Cypress or any of its Subsidiaries with or relating to its Section 16 officers, excluding programs and policies required to be maintained by Legal Requirement.

(m) All contributions required to be made with respect to any Cypress Employee Plan on or prior to the Effective Time have been or will be timely made or are reflected on the Cypress Balance Sheet.

A-38

Table of Contents

(n) The negotiation or consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee, director, consultant or officer of Cypress or any Subsidiary of Cypress to severance pay, or any other payment from Cypress or any of its Subsidiaries, or pursuant to any Cypress Employee Plan, (ii) accelerate the time of distribution, payment or vesting, a lapse of repurchase rights or increase the amount of compensation or benefits due any such employee, director or officer, (iii) result in the forgiveness of indebtedness, or (iv) trigger an obligation to fund benefits. No payment or benefit which will or may be made by Cypress or its ERISA Affiliates with respect to any current or former employee or any other disqualified individual (as defined in Code Section 280G and the regulations thereunder) is reasonably expected to be characterized as a parachute payment, within the meaning of Section 280G(b)(2) of the Code. There is no contract, agreement, plan or arrangement to which Cypress or any of its ERISA Affiliates is a party or by which it is bound to compensate any current or former employee or other disqualified individual for excise taxes paid pursuant to Section 4999 of the Code.

(o) Section 4.16(o) of the Cypress Disclosure Letter contains a complete and accurate list of each nonqualified deferred compensation plan (as such term is defined in Section 409A(d)(1) of the Code) sponsored or maintained by Cypress and each of its ERISA Affiliates. Each such nonqualified deferred compensation plan has been documented and operated in material compliance with Section 409A of the Code.

(p) No stock option, stock appreciation right or service provider warrant of Cypress (i) has an exercise price that has been or may be less than the fair market value of the underlying equity as of the date such option, right or warrant was granted or (ii) has any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of such option or right.

(q) There is no Contract to which Cypress or any of its Subsidiaries is a party, including the provisions of this Agreement, covering any employee, consultant or director of Cypress or any of its Subsidiaries, which, individually or collectively, reasonably could be expected to give rise to the payment of any amount that would not be deductible pursuant to Sections 280G, 404 or 162(m) of the Code.

4.17 Labor Matters.

(a) Cypress and each of its Subsidiaries are in compliance in all material respects with all applicable Legal Requirements respecting employment and employment practices, including all laws respecting terms and conditions of employment, health and safety, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance. Cypress and each of its Subsidiaries (i) has withheld and reported all amounts required by law or by agreement to be withheld and reported with respect to wages, salaries and other payments to employees; (ii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing; and (iii) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental authority, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees (other than routine payments to be made in the normal course of business and consistent with past practice), except in each case, for any failure to withhold, report or pay which would have or could reasonably be expected to have a Cypress Material Adverse Effect.

(b) To the knowledge of Cypress: (i) there are no current labor union organizing activities with respect to any employees of Cypress and/or any of its Subsidiaries, (ii) no labor union, labor organization, trade union, works council, or group of employees of Cypress and/or any of its Subsidiaries has made a pending demand for recognition or certification, (iii) there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or threatened in writing to be brought or filed with the National Labor Relations Board

or any other labor relations tribunal or authority, and (iv) there are no labor strikes or lockouts, or threats thereof, against or affecting Cypress or any of its Subsidiaries.

(c) Cypress and each of its Subsidiaries are and have been in material compliance with all notice and other requirements under the WARN Act, and any similar foreign, state or local law relating to plant closings and

A-39

Table of Contents

layoffs. Neither Cypress nor any of its Subsidiaries is currently engaged in any layoffs or employment terminations sufficient in number to trigger application of the WARN Act or any similar state, local or foreign law. Section 4.17(c) of the Cypress Disclosure Letter contains a complete and accurate list of the names and the sites of employment or facilities of those individuals who suffered an employment loss (as defined in the WARN Act) at any site of employment or facility of Cypress or any of its Subsidiaries during the 90-day period prior to the date of this Agreement. Section 4.17(c) of the Cypress Disclosure Letter shall be updated immediately prior to the Closing with respect to the 90-day period prior to the Closing.

(d) No employee of Cypress or any of its Subsidiaries (i) to the knowledge of Cypress is in violation of any term of any patent disclosure agreement, non-competition agreement, or any restrictive covenant to a former employer relating to the right of any such employee to be employed by Cypress or any of its Subsidiaries because of the nature of the business conducted or presently proposed to be conducted by Cypress or any of its Subsidiaries or relating to the use of trade secrets or proprietary information of others, or (ii) in the case of any key employee or group of key employees, has given notice as of the date of this Agreement to Cypress or any of its Subsidiaries that such employee or any employee in a group of key employees intends to terminate his or her employment with Cypress or any of its Subsidiaries.

(e) Section 4.17(e) of the Cypress Disclosure Letter contains a complete and accurate list of all Legal Requirements, if any, to inform, consult or negotiate with any works councils or labor unions, labor organizations or trade unions as a result of the negotiation or execution of this Agreement, the performance by Cypress of its obligations hereunder or the consummation of the transactions contemplated hereby, either alone or in connection with additional or subsequent events.

4.18 Environmental Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, no Hazardous Materials are present on any real property that is currently owned, operated, occupied, controlled or leased by Cypress or any of its Subsidiaries or were present on any real property at the time it ceased to be owned, operated, occupied, controlled or leased by Cypress or its Subsidiaries, including the land, the improvements thereon, the groundwater thereunder and the surface water thereon. Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, there are no underground storage tanks, asbestos which is friable or likely to become friable or PCBs present on any real property currently owned, operated, occupied, controlled or leased by Cypress or any of its Subsidiaries or as a consequence of the acts of Cypress, its Subsidiaries or their agents.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, Cypress and its Subsidiaries have conducted all Hazardous Material Activities in compliance in all material respects with all applicable Environmental Laws. Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, the Hazardous Materials Activities of Cypress and its Subsidiaries prior to the Closing have not resulted in the exposure of any person to a Hazardous Material in a manner which has caused or could reasonably be expected to cause an adverse health effect to any such person.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, Cypress and its Subsidiaries have complied in all material respects with all covenants and conditions of any Environmental Permit which is or has been in force with respect to its Hazardous Materials Activities. No circumstances exist which could reasonably be expected to cause any material Environmental Permit to be revoked, modified, or rendered non-renewable upon payment of the permit fee.

(d) No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to the knowledge of Cypress, threatened, concerning or relating to any Environmental Permit or any Hazardous Materials Activity of Cypress or any of its Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

A-40

Table of Contents

(e) Neither Cypress nor any of its Subsidiaries is aware of any fact or circumstance that could result in any Liability under an Environmental Law which would reasonably be expected to have a Cypress Material Adverse Effect. Except as would not reasonably be expected to have a Cypress Material Adverse Effect, neither Cypress nor any Subsidiary has entered into any Contract that may require it to guarantee, reimburse, pledge, defend, hold harmless or indemnify any other party with respect to liabilities arising out of Environmental Laws or the Hazardous Materials Activities of Cypress or any of its Subsidiaries.

(f) Cypress and the Subsidiaries have delivered to Spansion or made available for inspection by Spansion and its agents, representatives and employees all material environmental site assessments and environmental audits in Cypress's possession or control. Cypress and its Subsidiaries have complied in all material respects with all environmental disclosure obligations imposed by applicable law with respect to this transaction.

4.19 Compliance with Laws.

(a) Generally. Cypress and its Subsidiaries are in compliance with, and are not in default under or violation of (and have not received any notice of material non-compliance, default or violation with respect to) any Legal Requirement applicable to Cypress or any of its Subsidiaries or by which any of their respective properties is bound, except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

(b) Foreign Corrupt Practices Act. Neither Cypress nor any of its Subsidiaries (including any of their respective officers, directors, agents, employees or other Person associated with or acting on their behalf) have, directly or indirectly, taken any action which would cause it to be in violation of the Anti-Corruption Laws, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, made, offered or authorized any unlawful payment to foreign or domestic government officials or employees, whether directly or indirectly, or made, offered or authorized any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, whether directly or indirectly, except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Spansion Material Adverse Effect. Neither Cypress, any of its Subsidiaries nor any other entity under their control have conducted an internal investigation, or been informally or formally investigated, charged, or prosecuted, for conduct related to applicable Anti-Corruption Laws. Cypress has established internal controls and procedures to ensure compliance with applicable Anti-Corruption Laws, accurately accounted for all payments to third parties, disclosed all payments or provisions to foreign officials (as defined by the FCPA), and made available all of such documentation to Spansion.

(c) Export Control Laws.

(i) Cypress and each of its Subsidiaries have complied with all applicable Export Controls, including EAR, OFAC, and ITAR and any applicable anti-boycott compliance regulations except for such non-compliance, defaults and violations that would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect. Neither Cypress nor any of its Subsidiaries has directly or indirectly sold, exported, re-exported, transferred, diverted, or otherwise disposed of any products, software, technology, or technical data to any destination, entity, or person prohibited by the Legal Requirements of the United States, without obtaining prior authorization from the competent government authorities as required by Export Controls. Cypress and its Subsidiaries are in compliance with all applicable Import Restrictions, including Title 19 of the U.S. Code and Title 19 of the Code of Federal Regulations.

(ii) Neither Cypress nor any of its Subsidiaries has knowledge of any fact or circumstance that would result in any Liability for any violation of Export Control and Import Restrictions other than as would not reasonably be expected

to have, individually or in the aggregate, a Spansion Material Adverse Effect.

(iii) Cypress and its Subsidiaries, including, to the knowledge of Cypress, all of their customs brokers and freight forwarders, have maintained all records required to be maintained regarding the business of

A-41

Table of Contents

Cypress and its Subsidiaries as required under the Export Control and Import Restrictions other than as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect.

4.20 Permits. Cypress and its Subsidiaries hold all permits, licenses, easements, variances, exemptions, consents, certificates, authorizations, registrations, orders and other approvals from Governmental Entities that are material to the operation of the business of Cypress and its Subsidiaries taken as a whole as currently conducted (collectively, the Cypress Permits). The Cypress Permits are in full force and effect, have not been violated in any material respect and, to the knowledge of Cypress, no suspension, revocation or cancellation thereof has been threatened, and there is no Legal Proceeding pending or, to the knowledge of Cypress, threatened, seeking the suspension, revocation or cancellation of any Cypress Permits. No Cypress Permit shall cease to be effective as a result of the consummation of the transactions contemplated by this Agreement.

4.21 Legal Proceedings and Orders.

(a) Legal Proceedings. Except as would not reasonably be expected to have, individually or in the aggregate, a Cypress Material Adverse Effect, there are no material Legal Proceedings (other than arising from or relating to the Merger or any of the other transactions contemplated by this Agreement), (a) pending against Cypress or any of its Subsidiaries or any of their respective properties or assets, or (b) to the knowledge of Cypress, threatened against Cypress or any of its Subsidiaries, or any of their respective properties or assets.

(b) Orders. Neither Cypress nor any Subsidiary of Cypress is subject to any outstanding Order that would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement. There has not been nor are there currently any internal investigations or inquiries being conducted by Cypress, the Cypress Board (or any committee thereof) or any third party at the request of any of the foregoing concerning any financial, accounting, tax, conflict of interest, self-dealing, fraudulent or deceptive conduct or other misfeasance or malfeasance issues.

4.22 Insurance. Summaries of the material terms of all material fire and casualty, general liability, business interruption, product liability, sprinkler and water damage insurance policies and other forms of insurance maintained by Cypress or any of its Subsidiaries have been made available to Spansion upon request. Each such policy is in full force and effect and all premiums due thereon have been paid in full.

4.23 No Ownership of Spansion Capital Stock. Neither Cypress nor any of its Affiliates (nor any of its Associates as defined in Section 203 of the DGCL) is or has been during the past three (3) years an interested stockholder of Spansion as defined in Section 203 of the DGCL. Other than with respect to the Spansion Support Agreements, neither Cypress nor any of its Affiliates (nor any of its Associates as defined in Section 203 of the DGCL) beneficially owns, directly or indirectly, or is the record holder of, and is not (and during the past three (3) years has not been) a party to any agreement (other than this Agreement), arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in each case, any shares of Spansion Common Stock or any option, warrant or other right to acquire any shares of Spansion Common Stock.

4.24 Takeover Statutes. Assuming the accuracy of the representations and warranties set forth in Section 3.23 of this Agreement, the Cypress Board has adopted such resolutions as are necessary to render inapplicable to this Agreement, the Merger and any of the other transactions contemplated thereby, including the Cypress Support Agreements, the restrictions on business combinations (as defined in Section 203 of the DGCL) as set forth in Section 203 of the DGCL. Other than Section 203 of the DGCL, no Takeover Statute is applicable to Cypress, the Merger or any of the other transactions contemplated by this Agreement or the Cypress Support Agreements.

4.25 Brokers, Finders and Financial Advisors. No broker, finder or investment banker (other than Qatalyst Partners is entitled to any brokerage, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Cypress or any of its Subsidiaries. Cypress has furnished to Spanion a complete and accurate copy of all agreements between Cypress and Qatalyst Partners pursuant to which such firm would be entitled to any such payment.

A-42

Table of Contents

ARTICLE V

CONDUCT OF BUSINESS

5.1 **Affirmative Obligations.** Except (i) as expressly contemplated or permitted by this Agreement, (ii) as required by Legal Requirements, (iii) as set forth in Section 5.1 of the Spansion Disclosure Letter or the Cypress Disclosure Letter, as the case may be, or (iv) as approved in advance by the other party hereto in writing (which approval shall not be unreasonably withheld, conditioned or delayed), at all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Section 9.1 and the Effective Time, each of Spansion and Cypress shall, and each of them shall cause their respective Subsidiaries, to:

- (a) use commercially reasonable efforts to carry on their respective businesses in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and in compliance with all applicable Legal Requirements;
- (b) pay its debts and Taxes when due, in each case subject to good faith disputes over such debts or Taxes;
- (c) pay all of its material debts when due and perform all of its material obligations when such obligations are required to be performed, in each case subject to good faith disputes over such debts or obligations;
- (d) use its commercially reasonable efforts, consistent with past practices and policies, to (A) preserve intact their respective present businesses, (B) keep available the services of their respective present officers and employees and (C) preserve their respective relationships with customers, suppliers, distributors, licensors, licensees and others with which it has significant business dealings; and
- (e) use its reasonable best efforts to enforce its rights under all confidentiality, non-disclosure, standstill and other similar agreements if and to the extent of any breach or violation thereof.

5.2 **Negative Obligations.** Except (i) as expressly contemplated or permitted by this Agreement, (ii) as may be required by Legal Requirements, (iii) as set forth in Section 5.2 of the Spansion Disclosure Letter or the Cypress Disclosure Letter, as the case may be, or (iv) as approved in advance by the other party hereto in writing (which approval shall not be unreasonably withheld, conditioned or delayed), at all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Section 9.1 and the Effective Time, neither Spansion nor Cypress shall, nor shall either of them cause or permit any of their respective Subsidiaries to, do any of the following:

- (a) propose to adopt any amendments to or amend their respective certificates of incorporation or bylaws or comparable organizational documents;
- (b) authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (whether through the issuance or granting of options, warrants, other equity-based commitments, subscriptions, rights to purchase or otherwise) any of their respective securities or any securities of any of their respective Subsidiaries, except for (i) the issuance and sale of shares of common stock pursuant to the exercise or settlement of stock options, restricted stock units or performance stock units outstanding prior to the date hereof, (ii) grants of purchase rights under an employee stock purchase or other similar plan (ESPP) provided that the aggregate number of shares of common stock subject to such ESPP issuances shall not exceed 200,000 in the case of Spansion, or 800,000 in the case of Cypress, (iii) grants to newly hired employees of stock options or other equity awards to purchase or receive common stock granted in the

ordinary course of business consistent with past practice (including terms, form of grant, and conditions for vesting), provided that (A) in the case of stock options, such stock options have a per share exercise price that is no less than the then-current market price of a share of common stock, (B) in the case of stock options and other equity awards, such stock options and other equity awards are not and will not be subject to any accelerated vesting or other provision that would be triggered

A-43

Table of Contents

as a result of the consummation of the Merger, termination of services following the Closing Date, or any other transactions contemplated by this Agreement or combination of the foregoing, and for the avoidance of doubt, such stock options and other equity awards are not and will not be subject to any accelerated vesting set forth in any severance, change of control or similar arrangement (*provided, however*, that notwithstanding the foregoing the existing double-trigger acceleration arrangements in the Change of Control and Severance Agreements disclosed in the Spansion Disclosure Letter shall be given effect per their terms with respect to such stock options and other equity awards by Spansion), (C) the aggregate number of shares of common stock subject to such additional stock options or other equity awards does not exceed 90,000 in the case of Spansion (provided that grants to newly hired employees in 2014 shall not exceed an aggregate of 20,000 shares and grants to newly hired employees in 2015 shall not exceed an aggregate of 70,000 shares), or an aggregate of 800,000 in the case of Cypress, and (D) the aggregate number of shares of common stock subject to stock options or other equity awards granted to any individual newly hired employee does not exceed the current stock or other equity award grant guidelines previously made available to the other party hereto and (iv) grants to existing employees of stock options or other equity awards to purchase or receive common stock granted in the ordinary course of business consistent with past practice (including terms, form of grant and conditions for vesting), provided that (A) in the case of stock options, such stock options have a per share exercise price that is no less than the then-current market price of a share of common stock, (B) in the case of stock options and other equity awards, such stock options and other equity awards are not and will not be subject to any accelerated vesting or other provision that would be triggered as a result of the consummation of the Merger, termination of services following the Closing Date, or any other transactions contemplated by this Agreement or combination of the foregoing, and for the avoidance of doubt, such stock options and other equity awards are not and will not be subject to any accelerated vesting set forth in any severance, change of control or similar arrangement (*provided, however*, that notwithstanding the foregoing the existing double-trigger acceleration arrangements in the Change of Control and Severance Agreements disclosed in the Spansion Disclosure Letter shall be given effect per their terms with respect to such stock options and other equity awards by Spansion), (C) the aggregate number of shares of common stock subject to such additional stock options or other equity awards does not exceed 930,000 in the case of Spansion (plus 175,000 shares for each additional full month after June 30, 2015 that the Merger does not close) (*provided*, that catch-up grants to existing employees who are sales and regional vice presidents (Sales/VP Personnel) shall not exceed 10,000 shares in aggregate (Initial Catch-Up Grants) and grants to existing employees (other than the Initial Catch-Up Grants) shall not exceed 920,000 shares in aggregate), or 2,000,000 in aggregate in the case of Cypress (plus 525,000 shares for each additional full month after June 30, 2015 that the Merger does not close), (D) the aggregate number of shares of common stock subject to stock options or other equity awards granted to any individual does not exceed the current stock or other equity award grant guidelines previously made available to the other party hereto (and, in any case, 10,000 in the case of Spansion and 200,000 in the case of Cypress) and (E) no refresh grants shall be made to the CEO or CFO of Spansion unless the closing of the Merger occurs after June 30, 2015 and no stock options or other equity awards shall be granted to any employee who is a party to any individual severance, change of control or similar arrangement (such employee, a Severance Employee) without the mutual prior written consent of Cypress and Spansion;

(c) acquire or redeem, directly or indirectly, or amend any of their respective securities or any securities of any of their respective Subsidiaries; *provided, however*, that nothing in this paragraph (c) shall prohibit Spansion or Cypress from dissolving and/or merging into any of its Subsidiaries certain other Subsidiaries that are not material to them and their respective Subsidiaries, taken as a whole;

(d) other than cash dividends made either (i) in the ordinary course of business and consistent with past practice, or (ii) by any of their respective direct or indirect wholly owned Subsidiaries to themselves or one of their respective Subsidiaries, split, combine or reclassify any shares of capital stock, declare, set aside or pay any dividend or other distribution (whether in cash, shares or property or any combination thereof) in respect of any shares of capital stock, or make any other actual, constructive or deemed distribution in respect of the shares of capital stock; *provided*,

however, that nothing in this paragraph (d) shall prohibit Spansion or Cypress from dissolving and/or merging into any of their respective Subsidiaries certain other Subsidiaries that are not material to them and their respective Subsidiaries, taken as a whole;

A-44

Table of Contents

(e) propose or adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of themselves or any of their respective Subsidiaries (other than the transactions contemplated hereby); *provided, however*, that nothing in this paragraph (e) shall prohibit Spansion or Cypress from dissolving and/or merging into any of their respective Subsidiaries certain other Subsidiaries that are not material to them and their respective Subsidiaries, taken as a whole;

(f) (i) incur or assume any long-term or short-term debt or issue any debt securities, except for (A) letters of credit or bank guarantees issued in the ordinary course of business consistent with past practice, (B) short-term debt or revolving credit facility debt incurred to fund operations of the business or for cash management purposes, in each case in the ordinary course of business consistent with past practice, (C) loans or advances to direct or indirect wholly owned Subsidiaries in the ordinary course of business consistent with past practices, and (D) with respect only to existing indebtedness having a maturity date occurring after the date of this Agreement but prior to the Effective Time, to refinance, extend or renew the maturity of any existing indebtedness in an amount not to exceed such existing indebtedness, *provided*, that such refinancing or extension is at prevailing market interest rates and otherwise on terms not materially less favorable in the aggregate than the existing indebtedness being so refinanced, renewed or extended, (ii) other than in the ordinary course of business, assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for any material obligations of any other Person except obligations of any of their respective direct or indirect wholly owned Subsidiaries, (iii) make any material loans, advances or capital contributions to or investments in any other Person or (iv) mortgage or pledge any of their or their respective Subsidiaries' assets, tangible or intangible, or create or suffer to exist any Lien thereupon;

(g) except as may be required to satisfy contractual obligations existing on the date hereof, and except as required to fulfill any other obligations under this Section 5.2, (i) enter into, adopt, amend (including to provide for the acceleration of vesting), modify or terminate any bonus, profit sharing, compensation, severance, termination, option, appreciation right, performance unit, stock equivalent, share purchase agreement, pension, retirement, deferred compensation, employment, severance or other employee benefit agreement, trust, plan, fund or other arrangement for the compensation, benefit or welfare of any consultant, director, officer or employee in any manner or increase in any material manner the compensation or fringe benefits of any consultant, director, officer or employee, other than retention or transaction bonuses payable in connection with the Closing in an amount not to exceed three million dollars (\$3,000,000) in the aggregate, or (ii) pay any special bonus, remuneration or benefit to any director, officer or employee not required by any plan or arrangement as in effect as of the date hereof, other than retention or transaction bonuses payable in connection with the Closing in an amount not to exceed three million dollars (\$3,000,000) in the aggregate; *provided, however*, that this Section 5.2(g) shall not prevent either Cypress or Spansion or any of their respective Subsidiaries (A) from entering into employment agreements, offer letters or retention agreements with employees (other than executive officers or Severance Employees) in the ordinary course of business consistent with past practices, or (B) from increasing annual compensation of employees (other than executive officers or Severance Employees) and/or from providing for or amending bonus arrangements for employees (other than executive officers or Severance Employees) in the ordinary course of compensation reviews (to the extent that such compensation increases and new or amended bonus arrangements are consistent with past practice and do not result in a material increase in the aggregate in benefits or compensation expense);

(h) forgive any loans to any of their respective employees, officers or directors or any employees, officers or directors of any of their respective Subsidiaries or Affiliates;

(i) make any deposits or contributions of cash or other property or take any other action to fund or in any other way secure the payment of compensation or benefits under any of their Employee Benefit Plans or any Employee Benefit Plans of any of their respective Subsidiaries, other than deposits and contributions that are required pursuant to the terms of any such Employee Benefit Plans or any Contracts subject to any such Employee Benefit Plans in effect as of

the date hereof or as required by applicable Legal Requirements;

(j) enter into, amend, or extend any collective bargaining agreement;

A-45

Table of Contents

(k) acquire, sell, lease, license or dispose of any material property or assets in any single transaction or series of related transactions, except for (i) transactions pursuant to existing Contracts, (ii) transactions in the ordinary course of business consistent with past practice and not in excess of \$5,000,000 individually, or \$40,000,000 in the aggregate (i.e., \$30,000,000 initial amount for capital expenditures per clause (s) below and \$10,000,000 for maintenance capital); (iii) the sale of Spansion Products or Cypress Products, as the case may be, or services, in the ordinary course of business consistent with past practice;

(l) except as may be required to remain in compliance with GAAP, make any change in any of the accounting principles or practices used by either of them;

(m) make or change any material Tax election, adopt or change any Tax accounting method, settle or compromise any material Tax liability, or consent to the extension or waiver of the limitations period applicable to a material Tax claim or assessment;

(n) enter into any Contract that would be a Spansion Material Contract or a Cypress Material Contract, as the case may be, or amend in any material respect any Spansion Material Contract or Cypress Material Contract, as the case may be, or grant any release or relinquishment of any material rights under any Spansion Material Contract or Cypress Material Contract, as the case may be;

(o) enter into any lease or sublease of real property, or modify, amend or exercise any right to renew any lease or sublease of real property, in either case with a term or extending a term in excess of one (1) year;

(p) grant any exclusive rights with respect to any of their respective Intellectual Property Rights that are material to their respective businesses or the Intellectual Property Rights of any of their respective Subsidiaries that are material to their Subsidiaries respective businesses or divest any of their respective Intellectual Property Rights that are material to their respective businesses or the Intellectual Property Rights of any of their respective Subsidiaries that are material to their respective businesses;

(q) modify the standard warranty terms for Spansion Products or Cypress Products, as the case may be, or services or materially amend or modify any product or service warranty;

(r) acquire (by merger, consolidation or acquisition of stock or assets) any other Person or any equity interest therein;

(s) authorize, incur or commit to incur any new capital expenditure(s) that in the aggregate exceed \$30,000,000 (plus \$5,000,000 for each full month after June 30, 2015 until the Closing); *provided, however*, that the foregoing shall not limit any maintenance capital expenditures or capital expenditures required pursuant to existing Contracts;

(t) settle or compromise any pending or threatened Legal Proceeding or pay, discharge or satisfy or agree to pay, discharge or satisfy any Liability, other than the settlement, compromise, payment, discharge or satisfaction of Legal Proceedings and Liabilities (i) reflected or reserved against in full in the balance sheet included in the Spansion Balance Sheet or the Cypress Balance Sheet, as the case may be, (ii) covered by existing insurance policies, (iii) settled since the respective dates thereof in the ordinary course of business consistent with past practice, or (iv) in an amount not in excess of \$4,000,000;

(u) except as required by GAAP, revalue in any material respect any of its properties or assets, including writing-off notes or accounts receivable other than in the ordinary course of business consistent with past practice;

(v) convene any special meeting of their stockholders (or any postponement or adjournment thereof), or propose any matters for consideration and a vote of its stockholders at its respective Stockholder Meeting other than this Agreement and the Merger;

A-46

Table of Contents

(w) waive (either explicitly or implicitly by non-action or otherwise) any of its rights under any confidentiality, non-disclosure, standstill, employee non-solicitation and other similar agreements to which it is a party; or

(x) enter into a Contract to do any of the foregoing or knowingly take any action that is reasonably likely to result in any of the conditions to the consummation of the transactions contemplated hereby not being satisfied, or knowingly take any action that would make any of their respective representations or warranties set forth in this Agreement untrue or incorrect in any material respect, or that would materially impair their ability to consummate the transactions contemplated by this Agreement in accordance with the terms hereof or materially delay such consummation.

ARTICLE VI

NON-SOLICITATION OF ACQUISITION TRANSACTIONS

6.1 Termination of Existing Discussions. Promptly following the execution and delivery of this Agreement, each of Spansion and Cypress shall immediately cease and cause to be terminated, and shall instruct, direct and cause their respective directors, officers, employees, Subsidiaries, controlled Affiliates, investment bankers, attorneys and other advisors or representatives (collectively, Representatives) to immediately cease and cause to be terminated, any and all existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any Acquisition Proposal or Acquisition Transaction relating to Spansion and Cypress, respectively, and each of Spansion and Cypress shall promptly request that all confidential information with respect thereto that has been delivered, provided or furnished by or on behalf of Spansion or Cypress, as the case may be, within the two-year period prior to the date hereof (whether or not pursuant to a binding confidentiality, non-disclosure or other similar agreement) in connection with any consideration, discussions or negotiations regarding a potential Acquisition Proposal or Acquisition Transaction be returned or destroyed.

6.2 No Solicitation or Facilitation of Acquisition Proposals. Subject to Section 6.3, at all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Section 9.1 and the Effective Time, neither Spansion nor Cypress shall, nor shall either of them authorize or permit any of their respective Representatives to, directly or indirectly:

(a) solicit, initiate, or knowingly encourage or facilitate, the making, submission or announcement of an Acquisition Proposal relating to Spansion or Cypress, respectively;

(b) furnish to any Person (other than the other party hereto or any designees of such other party) any non-public information relating to Spansion or Cypress, respectively, or any of their respective Subsidiaries, or afford access to their business, properties, assets, books or records, or the business, properties, assets, books or records of any of their respective Subsidiaries, to any Person (other than to the other party hereto or any designees of such other party), in either case in a manner intended to assist or facilitate any inquiries or the making of any proposal that constitutes or would reasonably be expected to lead to an Acquisition Proposal relating to Spansion or Cypress, respectively, or take any other action intended to assist or facilitate any inquiries or the making of any proposal that constitutes or would reasonably be expected to lead to an Acquisition Proposal relating to Spansion or Cypress, respectively;

(c) participate or engage in discussions or negotiations with any Person (other than the other party hereto and its Representatives) with respect to an Acquisition Proposal relating to Spansion or Cypress, respectively;

(d) approve, endorse or recommend an Acquisition Proposal relating to Spansion or Cypress, respectively;

(e) enter into any letter of intent, memorandum of understanding or other Contract contemplating an Acquisition Transaction relating to Spansion or Cypress, respectively;

A-47

Table of Contents

(f) terminate, amend or waive any rights under any standstill or other similar Contract between it or any of its Subsidiaries and any Person (other than the other party hereto);

(g) waive the applicability of Section 203 of the DGCL, or any portion thereof, to any Person (other than the other party hereto or in connection with the Spansion Support Agreements or the Cypress Support Agreements); or

(h) propose publicly or agree to any of the foregoing with respect to an Acquisition Proposal relating to Spansion or Cypress, respectively.

6.3 Permitted Discussions and Information Sharing. Notwithstanding the terms of Section 6.2 or anything else to the contrary set forth in this Agreement, at any time prior to the receipt of the Requisite Spansion Stockholder Approval in the case of Spansion, or receipt of the Requisite Cypress Stockholder Approval in the case of Cypress, each of Spansion or Cypress may, directly or indirectly through their respective Representatives:

(a) engage or participate in discussions or negotiations with any Person that has made (and not withdrawn) a *bona fide*, unsolicited Acquisition Proposal in respect of such party in writing that such party's board of directors (or an authorized committee thereof established solely to address a conflict of interest with such Person and/or such Acquisition Proposal) determines in good faith (after consultation with a financial advisor of nationally recognized standing and its outside legal counsel) constitutes or is reasonably likely to lead to a Superior Proposal in respect of such party; and/or

(b) furnish any non-public information relating to such party or any of its Subsidiaries to any Person that has made (and not withdrawn) a *bona fide*, unsolicited Acquisition Proposal for such party in writing that such party's board of directors (or an authorized committee thereof established solely to address a conflict of interest with such Person and/or such Acquisition Proposal) determines in good faith (after consultation with a financial advisor of nationally recognized standing and its outside legal counsel) constitutes or is reasonably likely to lead to a Superior Proposal in respect of such party;

provided that, in the case of any action proposed to be taken pursuant to the foregoing clauses (a) or (b), all of the following conditions are satisfied (and continue to be satisfied at all times during the period in which any such actions are proposed to be ongoing and continuing):

(i) such Acquisition Proposal did not result from or arise out of a material breach of any provisions of Section 6.1 or Section 6.2 (as modified by this Section 6.3), and the Person from whom such party received such Acquisition Proposal has not made any other Acquisition Proposals (either alone or together with one or more other Persons) that resulted from or arose out of a material breach of any provisions of Section 6.1 or Section 6.2 (as modified by this Section 6.3);

(ii) the party proposing to take such action has not materially breached any of the provisions of Section 6.1 or Section 6.2 (as modified by this Section 6.3) in respect to such Acquisition Proposal (and any other Acquisition Proposals made by the same Person, whether alone or together with one or more other Persons);

(iii) the board of directors of the party proposing to take such action (or an authorized committee thereof established solely to address a conflict of interest with the Person making such Acquisition Proposal and/or the Acquisition Proposal itself) determines in good faith (after consultation with outside legal counsel) that the failure to take such action would reasonably be expected to be inconsistent with its fiduciary duties under Delaware Law;

(iv) at least twenty-four (24) hours prior to initially engaging or participating in any such discussions or negotiations with, or initially furnishing any non-public information to, such Person, the party proposing to take such action gives the other party hereto written notice of the identity of such Person and the

A-48

Table of Contents

material terms and conditions of such Acquisition Proposal (unless such Acquisition Proposal is in written form, in which case the party proposing to take such action shall give the other party hereto a copy of such Acquisition Proposal and all written materials received from the Person making such Acquisition Proposal relating thereto (including commitment letters and other financing related documents supporting such proposal but excluding any incidental communications that are not material to such Acquisition Proposal)) and of such party's intention to engage or participate in discussions or negotiations with, or furnish non-public information to, such Person pursuant to this Section 6.3;

(v) prior to initially engaging or participating in any such discussions or negotiations with, or initially furnishing any non-public information to, such Person, the party proposing to take such action enters into a written confidentiality agreement, each of the terms of which are no less favorable to such party than those contained in the Confidentiality Agreement; and

(vi) within twelve (12) hours of furnishing any non-public information to such Person, the party hereto proposing to take such action furnishes such non-public information to the other party hereto (to the extent such information has not been previously furnished to such other party).

6.4 Responsibility for Actions of Representatives. Without limiting the generality of the foregoing, each of Spansion and Cypress acknowledge and hereby agree that any breach or violation of the restrictions set forth in Section 6.1 and Section 6.2 by any Representative retained by either of them (or any Representative of any such Representatives) shall be deemed to be a breach of Section 6.1 and Section 6.2, as applicable, by such party.

6.5 Notification Requirements.

(a) In addition to the obligations set forth in Section 6.3, each of Spansion and Cypress shall promptly, and in all cases within twenty four (24) hours of receipt by any of its Representatives, advise the other party hereto in writing of (i) any Acquisition Proposal it receives (either directly or through any of its Representatives), (ii) any request for information it receives (either directly or through any of its Representatives) that would reasonably be expected to lead to an Acquisition Proposal or an Acquisition Transaction, or (iii) any inquiry it receives with respect to, or which would reasonably be expected to lead to, any Acquisition Proposal or Acquisition Transaction (but, for the avoidance of doubt, not including any subsequent incidental communication that is not material), the material terms and conditions of such Acquisition Proposal, Acquisition Transaction, request or inquiry (including copies of all written materials comprising or relating thereto received from the Person making such Acquisition Proposal, request or inquiry), and the identity of the Person or group making any such Acquisition Proposal, request or inquiry.

(b) In addition to the obligations set forth in Section 6.5(a), each of Spansion and Cypress shall keep the other party hereto reasonably informed on a prompt basis of the status of any discussions and negotiations with respect to any Acquisition Proposal or Acquisition Transaction and the material terms and conditions thereof (including all amendments or proposed amendments), request or inquiry either of them receives (either directly or through any of its Representatives). In addition to the foregoing, each of Spansion and Cypress shall provide the other party hereto with prompt (and in any event at least forty-eight (48) hours (or such lesser notice provided to the board of directors generally)) notice of a meeting of its board of directors (or any committee thereof) at which its board of directors (or any committee thereof) is reasonably expected to consider an Acquisition Proposal or Acquisition Transaction it has received (either directly or through any of its Representatives), and shall inform the other party as promptly as practicable of any material change in the price, structure, form of consideration or other material terms and conditions of the Acquisition Proposal or Acquisition Transaction.

Table of Contents

ARTICLE VII

ADDITIONAL AGREEMENTS

7.1 Efforts to Complete Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of Cypress, Merger Sub and Spansion shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other party hereto in doing, all things reasonably necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and other transactions contemplated by this Agreement, including using its reasonable best efforts to:

(i) cause the conditions to the Merger set forth in Section 2.2 to be satisfied or fulfilled;

(ii) obtain all necessary or appropriate consents, waivers and approvals under any Contracts to which Cypress or Spansion or any of their respective Subsidiaries is a party in connection with this Agreement and the consummation of the Merger and other transactions contemplated by this Agreement so as to maintain and preserve the benefits under such Contracts following the consummation of the Merger and other transactions contemplated by this Agreement;

(iii) obtain all necessary consents, approvals, waivers, Orders and other authorizations from Governmental Authorities, seek the expiration or termination of any applicable waiting periods under applicable Legal Requirements, and make all necessary registrations, declarations and filings with Governmental Authorities, that are reasonably necessary, proper or advisable to consummate and make effective the Merger and other transactions contemplated by this Agreement;

(iv) contest and resist any action or proceeding and defend any lawsuits or other legal proceedings, whether judicial, administrative or otherwise, challenging this Agreement or the consummation of the Merger or any other transactions contemplated by this Agreement, including seeking to have vacated or otherwise lifted or removed (including by pursuing all avenues of administrative and judicial appeal) any Order that has been issued or granted which is in effect and has the effect of making the Merger or any other transactions contemplated by this Agreement illegal, or which has the effect of prohibiting, preventing or otherwise restraining the consummation of the Merger or any other transactions contemplated by this Agreement; and

(v) execute or deliver any additional instruments reasonably necessary to consummate the Merger and all other transactions contemplated by, and to fully carry out the purposes of, this Agreement.

7.2 Regulatory Filings and Clearances.

(a) Without limiting the generality of the provisions of Section 7.1(a) and to the extent required by applicable Legal Requirements, as soon as practicable (but in any event no more than thirty (30) days) following the execution and delivery of this Agreement, each of Cypress and Spansion shall file with the FTC and the Antitrust Division of the DOJ a Notification and Report Form relating to this Agreement, the Merger and the other transactions contemplated hereby as required by the HSR Act, and each of Cypress and/or Spansion shall file comparable pre-merger or post-merger notification filings, forms and submissions with any foreign Governmental Authority of any Agreed Jurisdiction that may be required by the merger notification or control laws and regulations (Antitrust Laws) of such Agreed Jurisdictions. Each of Cypress and Spansion shall promptly (i) cooperate and coordinate with the other in the making of such filings, (ii) supply the other with any information that may be required in order to effectuate such filings, and (iii) supply any additional information that reasonably may be required or requested by the FTC, the DOJ

or the competition or merger control authorities of any other jurisdiction and that Cypress and Spansion reasonably deem necessary and/or appropriate.

A-50

Table of Contents

(b) Each of Cypress and Spansion shall (i) promptly inform the other party hereto of any communication from any Governmental Authority regarding the Merger or any other transactions contemplated by this Agreement, (ii) if practicable, permit the other party hereto an opportunity to review in advance all the information relating to Cypress and its Subsidiaries or Spansion and its Subsidiaries, as the case may be, that appears in any filing made with, or written materials submitted to, any Person and/or any Governmental Authority in connection with the Merger and the other transactions contemplated by this Agreement, and incorporate the other party's reasonable comments thereto, (iii) not participate in any substantive meeting or discussion with any Governmental Authority in respect of any filing, investigation, or inquiry concerning this Agreement, the Merger or any other transactions contemplated hereby unless such party consults with the other party hereto in advance, and, to the extent permitted by such Governmental Authority, gives the other party hereto an opportunity to attend or participate in such meeting or discussion, and (iv) furnish the other party with copies of all correspondences, filings, and written communications between them and their Subsidiaries and Representatives, on the one hand, and any Governmental Authority or its respective staff, on the other hand, with respect to this Agreement, the Merger and all other transactions contemplated by this Agreement; *provided, however*, that (i) any materials concerning valuation of the transaction or internal financial information may be redacted, and (ii) each of Cypress and Spansion may, as each deem advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 7.2 as counsel only and, in such event, such material and the information contained therein shall be given only to the outside legal counsel of the recipient and shall not be disclosed by such counsel to non-legal directors, officers, employees or other advisors or representatives of the recipient unless prior consent is obtained in advance from the source of the materials or its legal counsel.

(c) If either Cypress or Spansion or either of their respective Affiliates receives a request for additional information or documentary material from any such Governmental Authority with respect to the Merger or any other transactions contemplated by this Agreement, then such party shall use its reasonable best efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

(d) In furtherance and not in limitation of the covenants of the parties contained in Section 7.1 and Section 7.2, if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging the Merger or any other transactions contemplated by this Agreement as violative of any Legal Requirement or Order, or if any Legal Requirement or Order is enacted, entered, promulgated or enforced by a Governmental Entity which would make illegal, or would otherwise prohibit or materially impair or delay, the Merger or any other transactions contemplated by this Agreement, each of Cypress and Spansion shall cooperate in all respects with each other and use its respective reasonable best efforts to contest such action or proceeding and have vacated or otherwise lifted any such Legal Requirement or Order, including by effecting or committing to, by consent decree, hold separate orders, or otherwise, (i) the sale, divestiture, license or other disposition or holding separate (through the establishment of a trust or otherwise) of any assets or categories of assets of Cypress and Spansion or their respective Subsidiaries, and (ii) the imposition of any limitation or regulation on the ability of Cypress and Spansion or their respective Subsidiaries to freely conduct their business or own such assets.

7.3 Registration Statement and Joint Proxy Statement/Prospectus.

(a) As promptly as practicable (but in any event no more than forty-five (45)] days) after the execution and delivery of this Agreement, Cypress and Spansion shall prepare, and Cypress shall file with the SEC, a Registration Statement on Form S-4 in connection with the issuance of shares of Cypress Common Stock in the Merger (as may be amended or supplemented from time to time, the Registration Statement). The Registration Statement shall include (i) a prospectus for the issuance of shares of Cypress Common Stock in the Merger, (ii) a proxy statement of Cypress for use in connection with the solicitation of proxies for the Cypress Voting Proposal to be considered at the Cypress

Stockholder Meeting, and (iii) a proxy statement of Spansion for use in connection with the solicitation of proxies for the Spansion Voting Proposal to be considered at the Spansion

A-51

Table of Contents

Stockholder Meeting (as may be amended or supplemented from time to time, the Joint Proxy Statement/Prospectus). Each of Cypress and Spansion shall use its reasonable best efforts to have the Registration Statement declared effective by the SEC under the Securities Act as promptly as practicable after such filing with the SEC. Without limiting the generality of the foregoing, each of Spansion and Cypress shall, and shall cause its respective representatives to, fully cooperate with the other party hereto and its respective Representatives in the preparation of the Registration Statement and the Joint Proxy Statement/Prospectus, and shall furnish the other party hereto with all information concerning it and its Affiliates as the other party hereto may deem reasonably necessary or advisable in connection with the preparation of the Registration Statement and the Joint Proxy Statement/Prospectus, and any amendment or supplement thereto, and each of Cypress and Spansion shall provide the other party hereto with a reasonable opportunity to review and comment thereon. As promptly as practicable after the Registration Statement is declared effective by the SEC, Cypress and Spansion shall cause the Joint Proxy Statement/Prospectus to be mailed to their respective stockholders.

(b) Except as otherwise set forth in this Agreement, no amendment or supplement (including by incorporation by reference) to the Registration Statement or the Joint Proxy Statement/Prospectus shall be made without the approval of Cypress and Spansion, which approval shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that Cypress, in connection with a Cypress Board Recommendation Change, and Spansion, in connection with a Spansion Board Recommendation Change, may amend or supplement the Joint Proxy Statement/Prospectus or the Registration Statement (including by incorporation by reference) pursuant to a Qualifying Amendment to effect such change, and in such event, the right of approval set forth in this Section 7.3(b) shall apply only with respect to such information relating to the other party or its business, financial condition or results of operations, and shall be subject to the right of each party to have its board of directors' deliberations and conclusions be accurately described therein.

(c) The Registration Statement and the Proxy Statement/Prospectus shall comply in all material respects as to form and substance with the requirements of the Securities Act and the Exchange Act. Without limiting the generality of the foregoing, the information supplied or to be supplied by either party hereto for inclusion or incorporation by reference in the Registration Statement shall not, at the time the Registration Statement is filed with the SEC or declared effective by the SEC or at the Effective Time, contain any 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 light of the circumstances under which they were made, not misleading. The information supplied or to be supplied by either party hereto for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus shall not, on the date the Joint Proxy Statement/Prospectus (or any amendment thereof or supplement thereto) is first mailed to stockholders, at the time of each of the Merger Stockholder Meetings, or as of the Effective Time, contain any 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 light of the circumstances under which they were made, not misleading. In addition, the information supplied or to be supplied by or on behalf of either party hereto for inclusion in any filing pursuant to Rule 165 and Rule 425 under the Securities Act or Rule 14a-12 under the Exchange Act (each, a Regulation M-A Filing) shall not, at the time any such Regulation M-A Filing is filed with the SEC, contain any 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 light of the circumstances under which they were made, not misleading.

(d) Without limiting the generality of the foregoing, prior to the Effective Time (i) Spansion and Cypress shall notify each other as promptly as practicable upon becoming aware of any event or circumstance which should be described in an amendment of, or supplement to, the Registration Statement, Joint Proxy Statement/Prospectus or any Regulation M-A Filing so that any such document would not include any misstatement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and as promptly as practicable thereafter, an appropriate amendment or supplement describing such

information shall be promptly filed with the SEC and, to the extent required by applicable Legal Requirements or the SEC, disseminated to the stockholders of Spansion and/or Cypress. Spansion and Cypress shall each notify the other as promptly as practicable after the receipt by

A-52

Table of Contents

such party of any written or oral comments of the SEC or its staff on, or of any written or oral request by the SEC or its staff for amendments or supplements to, the Registration Statement, the Joint Proxy Statement/Prospectus or any Regulation M-A Filing, and shall promptly supply the other with copies of all correspondence between it or any of its representatives and the SEC or its staff with respect to any of the foregoing filings.

(e) Spansion and Cypress shall make any necessary filings with respect to the Merger under the Securities Act and the Exchange Act and the rules and regulations thereunder. In addition, Cypress shall use reasonable best efforts to take all actions required under any applicable federal or state securities or Blue Sky Laws in connection with the issuance of shares of Cypress Common Stock in the Merger.

7.4 Stockholder Meetings and Board Recommendations.

(a) Each of Spansion and Cypress, acting through its board of directors, shall take all actions in accordance with applicable Legal Requirements, applicable rules of the Nasdaq Global Select Market and the NYSE, the Spansion Certificate of Incorporation and the Spansion Bylaws in the case of Spansion, and the Cypress Certificate of Incorporation and the Cypress Bylaws in the case of Cypress, to duly call, give notice of, convene and hold as promptly as practicable, and in any event within forty-five (45) days after the declaration of effectiveness of the Registration Statement, a meeting of its stockholders (including any postponement or adjournment thereof, the Spansion Stockholder Meeting in the case of Spansion, and the Cypress Stockholder Meeting in the case of Cypress, and together, the Merger Stockholder Meetings) for the purpose of considering and voting upon the approval of the Spansion Voting Proposal in the case of Spansion and the Cypress Voting Proposal in the case of Cypress. Each of Spansion and Cypress shall solicit from its stockholders proxies in favor of the Spansion Voting Proposal in the case of Spansion and the Cypress Voting Proposal in the case of Cypress, and unless the board of directors of either party hereto shall effect a Spansion Board Recommendation Change in the case of Spansion or a Cypress Board Recommendation Change in the case of Cypress, in each case pursuant to and in accordance with Section 7.4(f), use its reasonable best efforts to secure the Requisite Spansion Stockholder Approval in the case of Spansion and the Requisite Cypress Stockholder Approval in the case of Cypress. Each of Spansion and Cypress shall use its reasonable best efforts to ensure that all proxies solicited in connection with its Merger Stockholder Meeting are solicited in compliance with the DGCL, the rules of the Nasdaq Global Select Market and the NYSE, the Spansion Certificate of Incorporation and the Spansion Bylaws in the case of Spansion, and the Cypress Certificate of Incorporation and the Cypress Bylaws in the case of Cypress, and all other applicable Legal Requirements.

(b) Each of Spansion and Cypress shall use its reasonable best efforts to call, give notice of, convene and hold their respective Merger Stockholder Meetings on the same day and at the same time; *provided*, that such efforts shall not require either Spansion or Cypress to delay the meeting of its stockholders beyond the date that is forty-five (45) days after the declaration of effectiveness of the Registration Statement. Notwithstanding anything to the contrary set forth in this Agreement, each of Spansion or Cypress, after consultation with the other party hereto, may (but shall not be required to) adjourn or postpone its respective Merger Stockholder Meeting if (and solely to the extent and for the minimum duration reasonably necessary to ensure that) (i) any required supplement or amendment to the Joint Proxy Statement/Prospectus is provided to its respective stockholders within a reasonable amount of time in advance of its respective Merger Stockholder Meeting, (ii) as of the time for which the applicable Merger Stockholder Meeting is originally scheduled (as set forth in the Joint Proxy Statement/Prospectus), there are insufficient shares of Spansion Common Stock in the case of Spansion, or Cypress Common Stock in the case of Cypress, represented (either in person or by proxy) at the respective Merger Stockholder meeting to constitute a quorum necessary to conduct the business of the respective Merger Stockholder Meeting, or (iii) the other party hereto has adjourned or postponed its Merger Stockholder Meeting for any of the foregoing reasons.

(c) Following the Merger Stockholder Meetings and at or prior to the Closing, each of Spansion and Cypress shall deliver to the corporate secretary of the other party hereto a certificate setting forth the voting results from the respective Merger Stockholder Meeting.

A-53

Table of Contents

(d) Unless this Agreement is earlier terminated pursuant to Section 9.1, Spansion shall submit the Spansion Voting Proposal to the Spansion Stockholders at the Spansion Stockholders Meeting for the purpose of acting upon such proposal, and Cypress shall submit the Cypress Voting Proposal to the Cypress Stockholders at the Cypress Stockholders Meeting for the purpose of acting upon such proposal, in each case whether or not (i) the Spansion Board or the Cypress Board, as the case may be, at any time subsequent to the date of this Agreement and prior to the Merger Stockholder Meetings shall effect a Spansion Board Recommendation Change in the case of Spansion or a Cypress Board Recommendation Change in the case of Cypress, or (ii) any actual, potential or purported Acquisition Proposal or Superior Proposal has been commenced, disclosed, announced or submitted to the Spansion Board in the case of Spansion or the Cypress Board in the case of Cypress.

(e) Subject to the terms of Section 7.4(f), (i) the Spansion Board shall recommend that the Spansion Stockholders adopt this Agreement at the Spansion Stockholder Meeting in accordance with the applicable provisions of the DGCL (the Spansion Board Recommendation), and (ii) the Cypress Board shall recommend that the Cypress Stockholders approve the issuance of shares of Cypress Common Stock in the Merger at the Cypress Stockholder Meeting in accordance with the applicable rules of the Nasdaq Global Select Market (the Cypress Board Recommendation).

(f) Subject to the terms of this Section 7.4(f), (x) neither the Spansion Board (nor any committee thereof) shall withhold, withdraw, amend, modify, qualify or condition, or publicly propose to withhold, withdraw, amend, modify, qualify or condition, the Spansion Board Recommendation (a Spansion Board Recommendation Change), and (y) neither the Cypress Board nor any committee thereof shall withhold, withdraw, amend, modify, qualify or condition, or publicly propose to withhold, withdraw, amend, modify, qualify or condition, the Cypress Board Recommendation (a Cypress Board Recommendation Change); *provided, however*, that notwithstanding the foregoing, at any time prior to the receipt of the Requisite Spansion Stockholder Approval in the case of Spansion, or receipt of the Requisite Cypress Stockholder Approval in the case of Cypress, the Spansion Board may effect a Spansion Board Recommendation Change and the Cypress Board may effect a Cypress Board Recommendation Change, in either case if and only if either:

(i) (A) the party proposing to take such action has received an Acquisition Proposal relating to such party that the board of directors of such party has determined in good faith (after consultation with its financial and legal advisors) constitutes a Superior Proposal, (B) such Acquisition Proposal did not result from or arise out of a breach of any provisions of Section 6.1 or Section 6.2, (C) the party proposing to take such action has not breached any of the provisions of Section 6.1 or Section 6.2 in respect of such Acquisition Proposal, (D) prior to effecting such Spansion Board Recommendation Change or Cypress Board Recommendation Change, as the case may be, the party proposing to take such action shall have given the other party hereto at least five (5) business days' notice thereof (which notice shall not, by itself, constitute a Spansion Board Recommendation Change or a Cypress Board Recommendation Change) and the opportunity to meet and discuss in good faith potential amendments or other modifications to the terms and conditions of this Agreement so that the Merger and other transactions contemplated by this Agreement may be effected, (E) the other party hereto shall not have made, within the foregoing five (5) business days after receipt of such party's written notice of its intention to effect a Spansion Board Recommendation Change or a Cypress Board Recommendation Change, as the case may be, a counteroffer or proposal that the board of directors of the party proposing to take such action (or an authorized committee thereof established solely to address a conflict of interest with the Person making such Superior Proposal or such Superior Proposal itself) determines in good faith (after consultation with its financial advisor of nationally recognized standing and its outside legal counsel) is at least as favorable to its stockholders as such Superior Proposal, and (F) after such discussions, the board of directors of the party proposing to take such action (or an authorized committee thereof established solely to address a conflict of interest with the Person making such Superior Proposal or such Superior Proposal itself) determines in good faith (after consultation with its outside legal counsel and after considering in good faith any counteroffer or proposal made by the other party hereto pursuant to the immediately preceding clause (E)) that the failure to effect such Spansion

Board Recommendation Change or a Cypress Board Recommendation Change, as the case may be, would reasonably be expected to be inconsistent with its fiduciary duties under Delaware Law; or

A-54

Table of Contents

(ii) in response to an Intervening Event, if: (A) the Intervening Event does not involve the receipt of any offer, proposal or inquiry from any third party relating to a transaction of the nature described in the definition of Acquisition Transaction (which, for the purposes of this clause (A), shall be read without reference to the percentage thresholds set forth in the definition thereof); and (B) (1) prior to effecting the Spansion Board Recommendation Change or the Cypress Board Recommendation Change, as the case may be, the party proposing to take such action shall have given the other party hereto at least five (5) business days' notice thereof (which notice shall not, by itself, constitute a Spansion Board Recommendation Change or a Cypress Board Recommendation Change) and the opportunity to meet and discuss in good faith the purported basis for the proposed the Spansion Board Recommendation Change or the Cypress Board Recommendation Change, as the case may be, the other party's reaction thereto and potential amendments and modifications to the terms and conditions of this Agreement in response thereto so that the Merger and other transactions contemplated by this Agreement may be effected, and (2) after such discussions, the board of directors of the party proposing to take such action (or an authorized committee thereof established solely to address conflicts of interest) determines in good faith (after consultation with outside legal counsel) that the failure to effect such Spansion Board Recommendation Change or Cypress Board Recommendation Change, as the case may be, would reasonably be expected to be inconsistent with its fiduciary duties under Delaware Law.

Each of Spansion and Cypress acknowledge and hereby agree that any Spansion Board Recommendation Change or Cypress Board Recommendation Change effected (or proposed to be effected) in response to or in connection with a Superior Proposal may be made solely and exclusively pursuant to the immediately preceding clause (i) only, and may not be made pursuant to the immediately preceding clause (ii), and any Spansion Board Recommendation Change or Cypress Board Recommendation Change, as the case may be, may only be made pursuant to this Section 7.4(f) and no other provisions of this Agreement.

(g) Nothing in this Agreement shall prohibit the Spansion Board or the Cypress Board from taking and disclosing to the Spansion Stockholders or the Cypress Stockholders, respectively, a position contemplated by Rule 14e-2(a) under the Exchange Act or complying with the provisions of Rule 14d-9 promulgated under the Exchange Act; *provided, however*, that (i) neither Spansion (with respect to statements made by the Spansion Board) nor Cypress (with respect to statements made by the Cypress Board) pursuant to Rule 14e-2(a) under the Exchange Act or Rule 14(d)-9 under the Exchange Act shall make disclosures that would amount to a Spansion Board Recommendation Change or a Cypress Board Recommendation Change, other than pursuant to this Section 7.4(g), and (ii) any statements or disclosures regarding this Agreement, the Merger or any other transactions contemplated by this Agreement, or about any Acquisition Proposal (whether or not a Superior Proposal) or Acquisition Transaction shall constitute a Spansion Board Recommendation Change or a Cypress Board Recommendation Change, as the case may be, unless such statement or disclosure is accompanied by an express, unequivocal affirmation of the Spansion Board Recommendation or the Cypress Board Recommendation, as applicable.

(h) Nothing set forth in this Section 7.4 shall (i) permit either party hereto to terminate this Agreement, (ii) affect any other obligation of the parties hereto under this Agreement, (iii) limit the obligation of either party hereto to duly call, give notice of, convene and hold its respective Merger Stockholder Meeting, (iv) relieve either party hereto of its obligation to submit to a vote of its stockholders the Spansion Voting Proposal or the Cypress Voting Proposal, as applicable, at its respective Merger Stockholder Meeting, or (v) permit either party hereto to submit for a vote of its respective stockholders at or prior to its respective Merger Stockholder Meeting any Acquisition Proposal other than the Spansion Voting Proposal and the Cypress Voting Proposal, as applicable.

7.5 Access; Notice and Consultation; Confidentiality.

(a) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, upon reasonable notice and subject to applicable Legal Requirements relating to the exchange of

A-55

Table of Contents

information, each of Cypress and Spansion shall, and shall cause their respective Subsidiaries to, afford the other party hereto and its Representatives reasonable access, during normal business hours, to all of its personnel, properties, facilities, contracts, books, records and other information concerning its business, properties and personnel as the other may reasonably request.

(b) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, each of Cypress and Spansion shall, and shall cause their respective Subsidiaries to, make available to the other party hereto and its Representatives a copy of each report, schedule, proxy or information statement, registration statement and other document to be filed by it during such period pursuant to the requirements of federal securities laws or federal or state laws a reasonable period of time prior to the filing of such reports, schedules, proxy or information statements, registration statements and other documents.

(c) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, each of Cypress and Spansion shall promptly notify the other party hereto upon becoming aware that any representation or warranty made by it in this Agreement has become untrue or inaccurate in any material respect, or of any failure of such party to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

(d) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, each of Cypress and Spansion shall promptly notify the other party hereto of (i) any notice or other communication received by it from any Governmental Authority in connection with the Merger or any other transactions contemplated by this Agreement, (ii) any notice or other communication received by it from any Person, subsequent to the date of this Agreement and prior to the Effective Time, alleging any material breach of or material default under any Spansion Material Contract or Cypress Material Contract, as the case may be, to which such party or any of their respective Subsidiaries is a party, or (iii) any notice or other communication received by such party or any of their respective Subsidiaries from any Person, subsequent to the date of this Agreement and prior to the Effective Time, alleging that the consent of such Person is or may be required in connection with the Merger or any other transactions contemplated by this Agreement.

(e) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time each of Cypress and Spansion shall promptly advise the other party hereto, orally and in writing, of any litigation commenced after the date hereof against such party or any of its Representatives by any of its current or former stockholders (on their own behalf or on behalf of the company) relating to this Agreement, the Merger or any other transactions contemplated by this Agreement, and shall keep the other party hereto reasonably informed regarding any such litigation. Each of Cypress and Spansion shall give the other party hereto the opportunity to consult with such party regarding the defense or settlement of any such stockholder litigation and shall consider the other party's views with respect to such stockholder litigation and shall not settle any such stockholder litigation without the prior written consent of the other party hereto (such consent not to be unreasonably withheld, conditioned or delayed), unless such settlement is for an amount less than \$4,000,000.

(f) At all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to Article IX and the Effective Time, each of Cypress and Spansion shall cause one or more of its designated representatives to confer on a regular and frequent basis with representatives of the other party hereto and report the general status of the ongoing operations of such

party and its Subsidiaries. Each of Cypress and Spansion shall promptly notify the other party hereto of any material change in the normal course of business or in the operation of the properties of such party or any of its Subsidiaries and of any governmental complaints, investigations or hearings (or

A-56

Table of Contents

communications indicating that the same may be contemplated), or the institution or the threat of significant litigation involving such party or any of its Subsidiaries, and will keep the other party hereto fully informed of such events.

(g) Notwithstanding anything to the contrary set forth in this Section 7.5 or elsewhere in this Agreement, neither Cypress nor Spansion nor any of their respective Subsidiaries shall be required to provide access to, or to disclose information, where such access or disclosure would jeopardize the attorney-client privilege of such party or its Subsidiaries or contravene any Legal Requirement, fiduciary duty or Contract entered into prior to the date of this Agreement. Each of Spansion and Cypress shall use their reasonable best efforts to make appropriate substitute arrangements to permit reasonable disclosure under the circumstances in which the restrictions of the preceding sentence apply. Notwithstanding anything to the contrary set forth herein, no information obtained pursuant to the access granted or notification provided pursuant to this Section 7.5 shall be deemed to (i) amend or otherwise modify in any respect any representation or warranty of the party providing such access or notice, (ii) impair or otherwise prejudice in any manner rights of the party receiving such access or notice to rely upon the conditions to the obligations of such party to consummate the transactions contemplated by this Agreement, or (iii) impair or otherwise limit the remedies available to the party receiving such access or notice.

(h) All information acquired pursuant to the access granted or notice provided pursuant to this Section 7.5 shall be subject to the provisions of the Confidentiality Agreement, dated September 25, 2014, between Cypress and Spansion (the Confidentiality Agreement), which shall continue in full force and effect from and after the execution and delivery of this Agreement in accordance with its terms.

7.6 Public Announcements. Each of Cypress and Spansion shall consult with the other party hereto before issuing any press release or making any public announcement or statement with respect to this Agreement, the Merger or any other transactions contemplated by this Agreement, and shall not issue any such press release or make any such public announcement or statement without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that (i) a party may, without the prior consent of the other party hereto, issue any such press release or make any such public announcement or statement as may be required by Legal Requirement or the rules and regulations of the Nasdaq Global Select Market or NYSE if it first notifies and consults with the other party hereto prior to issuing any such press release or making any such public announcement or statement; and (ii) no such prior notice or consultation shall be required in connection with the public announcement of a Spansion Board Recommendation Change or a Cypress Board Recommendation Change effected pursuant to Section 7.4(f) (it being understood and agreed that the terms of this Section 7.6 shall require notice and consultation with respect to any press release or other public announcement of any other actions taken by a party hereto under Section 7.4(f)).

7.7 Employee Plans.

(a) Spansion ESPP. Prior to the Closing Date, (i) Spansion shall take all necessary and appropriate actions so that (a) all outstanding purchase rights under the Spansion ESPP shall automatically be exercised, in accordance with the terms of the Spansion ESPP, immediately prior to the Closing Date, and (ii) the Spansion ESPP shall terminate with such purchase and no further purchase rights are granted under the Spansion ESPP thereafter.

(b) Spansion Group Plans; 401(k) Plan. Effective as of the day immediately preceding the Closing Date, Spansion and its ERISA Affiliates, as applicable, shall terminate (i) any and all group severance, separation or salary continuation plans, programs or arrangements, and (ii) any and all plans intended to include a Code Section 401(k) arrangement (unless Cypress provides written notice to Spansion that such 401(k) plans shall not be terminated) (collectively, the Spansion Terminating Plans). Unless Cypress provides such written notice to Spansion, no later than three (3) business days prior to the Closing Date, Spansion shall provide Cypress with evidence that such Spansion

Terminating Plan(s) have been terminated (effective as of the day immediately preceding the Closing Date) pursuant to resolutions of Spansion's Board of Directors. The form and substance of such resolutions shall be subject to review and approval of Cypress. Spansion also shall take such other actions in furtherance of terminating such Spansion Terminating Plan(s) as Cypress may reasonably require.

A-57

Table of Contents

(c) Pre-Existing Conditions; Service Credit; Etc.. From and after the Effective Time, and to the extent permitted by applicable Legal Requirements, Cypress shall, or shall cause the Surviving Corporation to, recognize the prior service with Spansion or its Subsidiaries of each Spansion Employee in connection with all employee benefit plans, programs or policies (including vacation and severance, but excluding the sabbatical program) of Cypress or its Affiliates in which Spansion Employees are eligible to participate following the Effective Time for purposes of eligibility and vesting and determination of level of benefits (but not for purposes of benefit accruals or benefit amounts under any defined benefit pension plan or to the extent that such recognition would result in duplication of benefits). From and after the Effective Time, Cypress shall, or shall cause the Surviving Corporation to, (i) cause any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of Cypress or its affiliates to be waived with respect to Spansion Employees and their eligible dependents, and (ii) provide each Spansion Employee with credit for any deductibles paid under any Spansion Employee Plan that provides medical, dental or vision benefits in the plan year in effect as of the Closing Date in satisfying any applicable deductible or out of pocket requirements under any medical, dental or vision plans of Cypress or the Surviving Corporation that such employees are eligible to participate in after the Effective Time. The provisions of this Section 7.7(c) are not intended to confer upon any person other than the parties hereto any rights or remedies hereunder, and the parties hereby expressly disclaim the creation or establishment of any third party beneficiary rights (whether express or implied) under or by right of the terms of this Section 7.7(c). Nothing herein shall be deemed to amend any Employee Benefit Plan to reflect the terms of this Section 7.7(c).

(d) Severance. Prior to the Closing, Spansion shall adopt and implement a severance plan reflecting the terms set forth in Section 7.7(d) of the Spansion Disclosure Letter, which shall be subject to review and approval of Cypress.

(e) COCSA Agreements. The parties hereby acknowledge and agree that the consummation of the Merger contemplated by this Agreement will constitute a Change of Control within the meaning of such term as set forth in the agreements listed on Section 7.7(e) of the Spansion Disclosure Letter.

7.8 Directors and Officers Indemnification and Insurance.

(a) The Surviving Corporation and its Subsidiaries shall, and Spansion shall cause the Surviving Corporation and its Subsidiaries to, honor and fulfill in all respects the obligations of Spansion and its Subsidiaries under any and all indemnification agreements in effect immediately prior to the Effective Time between Spansion or any of its Subsidiaries and any of their respective current or former directors and officers and any person who becomes a director or officer of Spansion or any of its Subsidiaries prior to the Effective Time (the Indemnified Parties). In addition, for a period of six (6) years following the Effective Time, the Surviving Corporation and its Subsidiaries shall, and Cypress shall cause the Surviving Corporation and its Subsidiaries to, cause their respective certificates of incorporation and bylaws (and other similar organizational documents) to contain provisions with respect to indemnification and exculpation that are at least as favorable as the indemnification and exculpation provisions contained in the certificate of incorporation and bylaws (or other similar organizational documents) of Spansion and its Subsidiaries immediately prior to the Effective Time, and during such six-year period, such provisions shall not be amended, repealed or otherwise modified in any respect except as and to the extent required by applicable Legal Requirements.

(b) For a period of six (6) years following the Effective Time, the Surviving Corporation shall, and Cypress shall cause the Surviving Corporation to, maintain in effect the existing policy of Spansion's directors and officers liability insurance (the Spansion D&O Policy) covering claims arising from facts or events that occurred at or prior to the Effective Time (including for acts or omissions occurring in connection with this Agreement and the consummation of the Merger and other transactions contemplated by this Agreement to the extent that such acts or omissions are covered by the Spansion D&O Policy) and covering each Indemnified Party who is covered as of the Effective Time

by the Spansion D&O Policy on terms with respect to coverage and amounts that are no less favorable than those terms in effect on the date hereof; *provided, however*, that in no

A-58

Table of Contents

event shall Cypress or the Surviving Corporation be required to expend in any one year an amount in excess of 250% of the current annual premium paid by Spansion (which annual premium is set forth on Section 7.8(b) of the Spansion Disclosure Letter) for such insurance (such 250% amount, the Maximum Annual Premium), *provided*, that if the annual premiums of such insurance coverage exceed such amount, the Surviving Corporation shall be obligated to obtain, and Cypress shall cause and financially enable it to obtain, a policy with the greatest coverage available for a cost not exceeding the Maximum Annual Premium. Prior to the Effective Time, notwithstanding anything to the contrary in this Agreement, in lieu of its obligations under this Section 7.8(b), Cypress or Spansion may purchase a six-year tail prepaid policy on the Spansion D&O Policy on terms and conditions no less advantageous than, from an issuer with an AM Best rating no worse than the issuer of, the Spansion D&O Policy, and in the event that Cypress shall purchase such a tail policy prior to the Effective Time, the Surviving Corporation shall, and Cypress shall cause the Surviving Corporation to, maintain such tail policy in full force and effect and continue to honor their respective obligations thereunder in lieu of all other obligations of Cypress and the Surviving Corporation under this Section 7.8(b) for so long as such tail policy shall be maintained in full force and effect.

(c) Prior to the Effective Time, notwithstanding anything to the contrary in this Agreement, Cypress shall purchase, for the benefit of the directors and officers of Cypress, liability insurance with a coverage limit of no less than \$50,000,000, or such other amount as is mutually agreed by Spansion and Cypress.

(d) The obligations under this Section 7.8 shall not be terminated, amended or otherwise modified in such a manner as to adversely affect any Indemnified Party (or any other person who is a beneficiary under the Spansion D&O Policy or the tail policy referred to in Section 7.8(b) (and their heirs and representatives)) without the prior written consent of such affected Indemnified Party or other person who is a beneficiary under the Spansion D&O Policy or the tail policy referred to in Section 7.8(b) (and their heirs and representatives). Each of the Indemnified Parties or other persons who are beneficiaries under the Spansion D&O Policy or the tail policy referred to in Section 7.8(b) (and their heirs and representatives) are intended to be third party beneficiaries of this Section 7.8, with full rights of enforcement as if a party thereto. The rights of the Indemnified Parties (and other persons who are beneficiaries under the Spansion D&O Policy or the tail policy referred to in Section 7.8(b) (and their heirs and representatives)) under this Section 7.8 shall be in addition to, and not in substitution for, any other rights that such persons may have under the certificate or articles of incorporation, bylaws or other equivalent organizational documents, any and all indemnification agreements of or entered into by Spansion or any of its Subsidiaries, or applicable Legal Requirement (whether at law or in equity).

(e) In the event that Cypress, the Surviving Corporation or any of their Subsidiaries (or any of their respective successors or assigns) shall consolidate or merge with any other person and shall not be the continuing or surviving corporation or entity in such consolidation or merger, or transfers at least fifty percent (50%) of its properties and assets to any other person, then in each case proper provision shall be made so that the continuing or surviving corporation or entity (or its successors or assigns, if applicable), or transferee of such assets, as the case may be, shall assume the obligations set forth in this Section 7.8.

7.9 Listing of Cypress Shares. Cypress shall use its reasonable best efforts to have authorized for listing on the Nasdaq Global Select Market prior to the Effective Time, upon official notice of issuance, the shares of Cypress Common Stock issuable in the Merger pursuant to this Agreement, the shares of Cypress Common Stock issuable upon the exercise of all Assumed Options and the shares of Cypress Common Stock issuable in respect of all Assumed Units, and any shares of Cypress Common Stock issuable upon exchange of the Exchangeable Senior Notes at and after the Effective Time.

7.10 Takeover Statutes. If any Takeover Statute is or may become applicable to the Merger or any other transactions contemplated by this Agreement, Spansion and the Spansion Board shall promptly grant such approvals and take such

lawful actions as are necessary so that the Merger and/or such other transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement, and otherwise take such lawful actions to eliminate or minimize the effects of such statute, and any regulations promulgated thereunder, on the Merger and such other transactions.

A-59

Table of Contents

7.11 Section 16 Matters. The Cypress Board, or a committee thereof consisting of non-employee directors (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall adopt a resolution in advance of the Effective Time providing that the receipt by Spansion Insiders of Cypress Common Stock in exchange for shares of Spansion Common Stock, and of options to purchase Cypress Common Stock upon assumption and conversion of the Spansion Stock Awards, in each case pursuant to the transactions contemplated hereby and to the extent such securities are listed in the Section 16 Information, is intended to be exempt pursuant to Rule 16b-3 under the Exchange Act. In addition, the Spansion Board, or a committee thereof consisting of non-employee directors (as such term is defined for purposes of Rule 16b-3(e) under the Exchange Act), shall adopt a resolution in advance of the Effective Time providing that the disposition by Spansion Insiders of Spansion Common Stock in exchange for shares of Cypress Common Stock, and the disposition of their Spansion Stock Awards which will be deemed to occur upon the assumption of those options and their resulting conversion into options to purchase Cypress Common Stock, in each case pursuant to the transactions contemplated hereby and to the extent such securities are listed in the Section 16 Information, are also intended to be exempt pursuant to Rule 16b-3 under the Exchange Act.

7.12 Tax Matters.

(a) None of Cypress, Merger Sub or Spansion shall, and they shall not permit any of their respective Subsidiaries to, take any action prior to or following the Effective Time that would reasonably be expected to cause the Merger to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code.

(b) Each of Cypress and Spansion shall use its reasonable best efforts to obtain the Tax opinions described in Section 2.2(a)(vii) (collectively, the Tax Opinions). Officers of Cypress, Merger Sub and Spansion shall execute and deliver to Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel to Cypress, and Fenwick & West LLP, counsel to Spansion, certificates containing customary representations at such time or times as may be reasonably requested by such law firms, including the effective date of the Registration and the Effective Time, in connection with their respective deliveries of opinions with respect to the Tax treatment of the Merger.

7.13 FIRPTA Certificate. On or prior to the Closing Date, Spansion shall deliver to Cypress a properly executed statement in a form reasonably acceptable to Cypress for purposes of satisfying Cypress's obligations under Treasury Regulation Section 1.1445-2(c)(3).

7.14 Obligations of Merger Sub. Cypress shall take all action necessary to cause Merger Sub and the Surviving Corporation to perform their respective obligations under this Agreement and to consummate the transactions contemplated hereby upon the terms and subject to the conditions set forth in this Agreement.

7.15 Exchangeable Senior Notes. As promptly as practicable after the execution and delivery of this Agreement, Cypress and Spansion shall prepare a supplemental indenture (the Supplemental Indenture) as required by Sections 5.02 and 10.05 of the indenture, dated as of August 26, 2013 (as amended, modified or supplemented from time to time, the Indenture), by and among Spansion LLC, the guarantors party thereto, including Spansion, and Wells Fargo Bank, National Association, as trustee (the Trustee), governing the 2.00% Exchangeable Senior Notes due 2020 (the Exchangeable Senior Notes) of Spansion LLC. On the Closing Date, Cypress, Spansion, Spansion LLC and the guarantors party thereto shall execute with the Trustee the Supplemental Indenture, effective as of the Effective Time, and deliver any required certificates, legal opinions and other documents required by the Indenture to be delivered in connection with the Supplemental Indenture.

Table of Contents

ARTICLE VIII

GOVERNANCE MATTERS

8.1 Cypress Board of Directors.

(a) Size and Composition. Immediately following the Effective Time, the Cypress Board shall have eight (8) members comprised of (i) T.J. Rodgers, Eric Benhamou and two others from the Cypress Board as of immediately prior to the Effective Time to be mutually agreed, and (ii) John Kispert, Ray Bingham and two others from the Spansion Board as of immediately prior to the Effective Time to be mutually agreed.

(b) Chairman. Immediately following the Effective Time, the Chairman of the Cypress Board shall be Ray Bingham.

(c) Committee Chairmen. Immediately following the Effective Time:

(i) the chairman of the Operations Committee of the Cypress Board shall be John Kispert.

(ii) the chairman of the Nominating and Governance Committee of the Cypress Board shall be one of the members of the Spansion Board as of immediately prior to the Effective Time who is becoming a member of the Cypress Board pursuant to Section 8.1(a);

(iii) the chairman of the Audit Committee of the Cypress Board shall be one of the members of the Cypress Board as of immediately prior to the Effective Time; and

(iv) the chairman of the Compensation Committee of the Cypress Board shall be one of the members of the Spansion Board as of immediately prior to the Effective Time who is becoming a member of the Cypress Board pursuant to Section 8.1(a).

(d) Effectuation. Prior to the Effective Time, the Cypress Board shall take all action necessary to effectuate the provisions of this Section 8.1.

8.2 Cypress Chief Executive Officer. Immediately following the Effective Time, the chief executive officer of Cypress shall be T.J. Rodgers.

ARTICLE IX

TERMINATION OF AGREEMENT

9.1 Termination. Notwithstanding the prior receipt of the Requisite Spansion Stockholder Approval and/or the Requisite Cypress Stockholder Approval, this Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (it being agreed that the party hereto terminating this Agreement pursuant to this Section 9.1 shall give prompt written notice of such termination to the other party hereto):

(a) by mutual written consent duly authorized by the Spansion Board and the Cypress Board;

(b) by either Cypress or Spansion, if any Governmental Authority of competent jurisdiction shall have (i) enacted, issued, promulgated, entered, enforced or deemed applicable to the Merger any Legal Requirement that is in effect and has the permanent effect of making the consummation of the Merger illegal, or which has the effect of permanently

prohibiting, preventing or otherwise restraining the consummation of the Merger, or (ii) issued or granted any Order that is in effect and has the effect of making the Merger illegal or which has the permanent effect of prohibiting, preventing or otherwise restraining the Merger, and such Order has become final and non-appealable, provided that the party seeking to terminate this Agreement pursuant to this Section 9.1(b) shall have complied with its obligations under Section 7.1(a)(iv) to have any such Order vacated or lifted or removed;

A-61

Table of Contents

(c) by either Cypress or Spansion, if the Merger shall have not been consummated by June 1, 2015 (the Initial Termination Date); *provided, however*, that in the event the condition to the consummation of the Merger set forth in Section 2.2(a)(iii) and/or Section 2.2(a)(v) shall not have been satisfied on or prior to the Initial Termination Date and all of the other conditions to the consummation of the Merger set forth in Section 2.2 shall have been satisfied or waived by the party entitled to the benefit of such condition on or prior to the Initial Termination Date (other than those conditions that by their terms contemplate satisfaction at the Closing, provided that such conditions are then capable of being satisfied at such time), either Cypress or Spansion may elect to extend the Initial Termination Date by written notice to the other party hereto prior to or on the Initial Termination Date, until September 1, 2015 (the First Extended Termination Date); *provided, further*, that in the event a condition to the consummation of the Merger set forth in Section 2.2(a)(iii) and/or Section 2.2(a)(v) shall not have been satisfied on or prior to the First Extended Termination Date and all of the other conditions to the consummation of the Merger set forth in Section 2.2 shall have been satisfied or waived by the party entitled to the benefit of such condition on or prior to the First Extended Termination Date (other than those conditions that by their terms contemplate satisfaction at the Closing, provided that such conditions are then capable of being satisfied at such time), either Cypress or Spansion may elect to extend the First Extended Termination Date by written notice to the other party hereto prior to or on the First Extended Termination Date, until December 1, 2015 (the Second Extended Termination Date); *provided, however*, that notwithstanding the foregoing, the right to terminate this Agreement pursuant to this proviso shall not be available to any party hereto whose action or failure to fulfill any covenant or obligation under this Agreement has been the proximate cause of, or resulted in, any of the conditions to the consummation of the Merger set forth in Section 2.2 having failed to be satisfied or fulfilled on or prior to the Initial Termination Date, the First Extended Termination Date, or the Second Extended Termination Date, as applicable, and such action or failure to fulfill any covenant or obligation constitutes a material breach of this Agreement;

(d) by either Cypress or Spansion if:

(i) the Requisite Cypress Stockholder Approval shall not have been obtained at the Cypress Stockholder Meeting (or any adjournment or postponement thereof) at which a vote was taken on the Cypress Voting Proposal, or

(ii) if the Requisite Spansion Stockholder Approval shall not have been obtained at the Spansion Stockholder Meeting (or any adjournment or postponement thereof) at which a vote was taken on the Spansion Voting Proposal;

(e) by either Cypress or Spansion (provided it is not then in material breach of any of its covenants and obligations under this Agreement) in the event of (i) a breach of any covenant or obligation set forth in this Agreement by the other party hereto, or (ii) any inaccuracy in any of the representations and warranties of the other party hereto set forth in this Agreement when made or at any time prior to the Effective Time, in either case such that the conditions to the consummation of the Merger set forth in Section 2.2(b)(i) or Section 2.2(b)(ii) in the case of Cypress, or Section 2.2(c)(i) or Section 2.2(c)(ii) in the case of Spansion, would not be satisfied as of the time of such breach or as of the time such representation and warranty became inaccurate; *provided, however*, that notwithstanding the foregoing, in the event that any such breach or inaccuracy is curable through the exercise of commercially reasonable efforts by the party committing such breach or making such inaccurate representations and warranties, then the party seeking to terminate this Agreement pursuant to this Section 9.1(e) shall not be permitted to terminate this Agreement pursuant to this Section 9.1(e) until the expiration of a thirty (30) calendar day period after delivery of written notice of such breach or inaccuracy to the party committing such breach or making such inaccurate representations and warranties (it being understood that the party seeking to terminate this Agreement pursuant to this Section 9.1(e) may not terminate this Agreement pursuant to this Section 9.1(e) if such breach or inaccuracy is cured by the other party hereto within such thirty (30) calendar day period); or

(f) by either Cypress or Spansion in the event that a Triggering Event shall have occurred with respect to the other party hereto, whether promptly after the Triggering Event giving rise to either party's right to terminate this Agreement pursuant to this Section 9.1(f) or at any time thereafter.

A-62

Table of Contents

9.2 Effect of Termination. In the event of the valid termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto or any of its directors, officers, affiliates or stockholders except (i) that the provisions of this Section 9.2, Section 9.3 and Article X shall survive any termination of this Agreement and (ii) nothing herein shall relieve any party from liability for any willful or intentional breach of this Agreement or for fraud. The Confidentiality Agreement shall survive termination of this Agreement as provided therein.

9.3 Fees and Expenses.

(a) General. Except as set forth in this Section 9.3, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such Expenses, whether or not the transactions contemplated hereby are consummated; provided however, that notwithstanding the foregoing or anything to the contrary set forth herein, all fees and expenses (other than legal fees and expenses) incurred in connection with the preparation, printing and filing, as applicable, of the Registration Statement (including any preliminary materials related thereto and all amendments and supplements thereto, as well as any financial statements and schedules thereto), the Joint Proxy Statement/Prospectus (including any preliminary materials related thereto and all amendments and supplements thereto), and all filings by Cypress and Spansion under the HSR Act or any similar filing requirement of any Governmental Authority applicable to this Agreement and the transactions contemplated hereby, shall be shared equally (i.e., 50% / 50%) by Cypress and Spansion at the time any such fees, costs and expenses become due and payable.

(b) Spansion Payments.

(i) Spansion shall pay to Cypress a fee equal to sixty million dollars (\$60,000,000) (the Termination Fee Amount), by wire transfer of immediately available funds to an account or accounts designated in writing by Cypress, within two (2) Business Days after demand by Cypress, in the event that (A) following the execution and delivery of this Agreement and prior to the Spansion Stockholder Meeting (or any adjournment or postponement thereof) at which a vote is taken on the Spansion Voting Proposal, an Acquisition Proposal in respect of Spansion shall have been made to Spansion or the Spansion Board, or shall have been directly communicated or otherwise made known to Spansion Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Spansion, (B) this Agreement is terminated pursuant to Section 9.1(c) or Section 9.1(d)(ii) (or after the Spansion Stockholder Meeting has been held and a vote taken on the Spansion Voting Proposal and there has been a failure to obtain the Requisite Spansion Stockholder Approval, and this Agreement thereby becomes terminable pursuant to Section 9.1(c) or Section 9.1(d)(ii) as a result, Spansion terminates this Agreement for another reason), and (C) within twelve (12) months following the termination of this Agreement, either an Acquisition Transaction in respect of Spansion (whether or not the Acquisition Transaction referenced in the preceding clause (A)) is consummated or Spansion enters into a letter of intent, memorandum of understanding or other Contract contemplating or providing for an Acquisition Transaction in respect of Spansion (whether or not the Acquisition Transaction referenced in the preceding clause (A)) and such Acquisition Transaction is ultimately consummated (whether or not during the foregoing 12-month period); *provided, however*, that for the purposes of this Section 9.3(b)(i), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

(ii) Spansion shall pay to Cypress a fee equal to the Termination Fee Amount, by wire transfer of immediately available funds to an account or accounts designated in writing by Cypress, within two (2) Business Days after demand by Cypress, in the event that (A) following the execution and delivery of this Agreement and prior to the breach forming the basis of such termination contemplated by the following clause (B), an Acquisition Proposal in respect of Spansion shall have been made to Spansion or the Spansion Board, or shall have been directly

communicated or otherwise made known to Spansion Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an

A-63

Table of Contents

intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Spansion, (B) Cypress terminates this Agreement pursuant to Section 9.1(e) due to an intentional breach or inaccuracy by Spansion (or after any such intentional breach or inaccuracy occurs, and this Agreement thereby becomes terminable pursuant to Section 9.1(e) as a result, Spansion terminates this Agreement for another reason), and (C) within twelve (12) months following the termination of this Agreement, either an Acquisition Transaction in respect of Spansion (whether or not the Acquisition Transaction referenced in the preceding clause (A)) is consummated or Spansion enters into a letter of intent, memorandum of understanding or other Contract contemplating or providing for an Acquisition Transaction in respect of Spansion (whether or not the Acquisition Transaction referenced in the preceding clause (A)) and such Acquisition Transaction is ultimately consummated (whether or not during the foregoing 12-month period); *provided, however*, that for the purposes of this Section 9.3(b)(ii), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

(iii) Spansion shall pay to Cypress a fee equal to the Termination Fee Amount, by wire transfer of immediately available funds to an account or accounts designated in writing by Cypress within two (2) Business Days after demand by Cypress, in the event that Cypress terminates this Agreement pursuant to Section 9.1(f) (or after a Triggering Event occurs with respect to Spansion, and this Agreement thereby becomes terminable pursuant to Section 9.1(f) as a result, Spansion terminates this Agreement for another reason) (it being understood and hereby agreed that the failure to terminate this Agreement pursuant to Section 9.1(f) promptly following a Triggering Event shall not prejudice or otherwise limit or impair such party's ability to terminate this Agreement pursuant to Section 9.1(f) at any subsequent point in time and collect the fee contemplated by this Section 9.3(b)(iii)); *provided, however*, that notwithstanding the foregoing, the fee contemplated by this Section 9.3(b)(iii) shall not be payable in the event that the Spansion Board shall have effected a Spansion Board Recommendation Change (or another Triggering Event described in clauses (iv) or (v) of the definition thereof) at least ten (10) business days prior to the Spansion Stockholder Meeting, Cypress does not terminate this Agreement pursuant to Section 9.1(f) within five (5) days thereafter, and subsequent thereto Spansion obtains the Requisite Spansion Stockholder Approval at the Spansion Stockholder Meeting.

(iv) In no event shall Spansion be required to pay the Termination Fee pursuant to this Section 9.3(b) on more than one occasion.

(v) Spansion shall reimburse Cypress for Cypress's documented out-of-pocket expenses actually incurred in connection with this Agreement (the Cypress Expense Reimbursement), by wire transfer of immediately available funds to an account or accounts designated in writing by Cypress within three (3) Business Days after demand by Cypress, in the event that (A) following the execution and delivery of this Agreement and prior to the Spansion Stockholder Meeting (or any adjournment or postponement thereof) at which a vote is taken on the Spansion Voting Proposal, an Acquisition Proposal in respect of Spansion shall have been made to Spansion or the Spansion Board, or shall have been directly communicated or otherwise made known to Spansion Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Spansion, and (B) this Agreement is terminated pursuant to Section 9.1(d)(ii) (or after the Spansion Stockholder Meeting has been held and a vote taken on the Spansion Voting Proposal and there has been a failure to obtain the Requisite Spansion Stockholder Approval, and this Agreement thereby becomes terminable pursuant to Section 9.1(d)(ii) as a result, Spansion terminates this Agreement for another reason); *provided, however*, that (A) Spansion shall not be obligated to pay any amounts in excess of five million dollars (\$5,000,000) pursuant to this Section 9.3(b)(v), (B) if Spansion is subsequently required to pay the Termination Fee pursuant to this Section 9.3(b), the amount of such payment shall be reduced by the amount of the Cypress Expense Reimbursement previously paid to Cypress, and (C) for the purposes of this Section 9.3(b)(v), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

A-64

Table of Contents

(c) Cypress Payments.

(i) Cypress shall pay to Spansion a fee equal to the Termination Fee Amount, by wire transfer of immediately available funds to an account or accounts designated in writing by Spansion, within two (2) Business Days after demand by Spansion, in the event that (A) following the execution and delivery of this Agreement and prior to the Cypress Stockholder Meeting (or any adjournment or postponement thereof) at which a vote is taken on the Cypress Voting Proposal, an Acquisition Proposal in respect of Cypress shall have been made to Cypress or the Cypress Board, or shall have been directly communicated or otherwise made known to Cypress Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Cypress, (B) this Agreement is terminated pursuant to Section 9.1(c) or Section 9.1(d)(i) (or after the Cypress Stockholder Meeting has been held and a vote taken on the Cypress Voting Proposal and there has been a failure to obtain the Requisite Cypress Stockholder Approval, and this Agreement thereby becomes terminable pursuant to Section 9.1(c) or Section 9.1(d)(i) as a result, Cypress terminates this Agreement for another reason), and (C) within twelve (12) months following the termination of this Agreement, either an Acquisition Transaction in respect of Cypress (whether or not the Acquisition Transaction referenced in the preceding clause (A)) is consummated or Cypress enters into a letter of intent, memorandum of understanding or other Contract contemplating or providing for an Acquisition Transaction in respect of Cypress (whether or not the Acquisition Transaction referenced in the preceding clause (A)) and such Acquisition Transaction is ultimately consummated (whether or not during the foregoing 12-month period); *provided, however*, that for the purposes of this Section 9.3(c)(i), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

(ii) Cypress shall pay to Spansion a fee equal to the Termination Fee Amount, by wire transfer of immediately available funds to an account or accounts designated in writing by Spansion, within two (2) Business Days after demand by Spansion, in the event that (A) following the execution and delivery of this Agreement and prior to the breach forming the basis of such termination contemplated by the following clause (B), an Acquisition Proposal in respect of Cypress shall have been made to Cypress or the Cypress Board, or shall have been directly communicated or otherwise made known to Cypress Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Cypress, (B) Spansion terminates this Agreement pursuant to Section 9.1(e) due to an intentional breach or inaccuracy by Cypress (or after any such intentional breach or inaccuracy occurs, and this Agreement thereby becomes terminable pursuant to Section 9.1(e) as a result, Cypress terminates this Agreement for another reason), and (C) within twelve (12) months following the termination of this Agreement, either an Acquisition Transaction in respect of Cypress (whether or not the Acquisition Transaction referenced in the preceding clause (A)) is consummated or Cypress enters into a letter of intent, memorandum of understanding or other Contract contemplating or providing for an Acquisition Transaction in respect of Cypress (whether or not the Acquisition Transaction referenced in the preceding clause (A)) and such Acquisition Transaction is ultimately consummated (whether or not during the foregoing 12-month period); *provided, however*, that for the purposes of this Section 9.3(c)(ii), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

(iii) Cypress shall pay to Spansion a fee equal to the Termination Fee Amount, by wire transfer of immediately available funds to an account or accounts designated in writing by Spansion within two (2) Business Days after demand by Spansion, in the event that Spansion terminates this Agreement pursuant to Section 9.1(f) (or after a Triggering Event occurs with respect to Cypress, and this Agreement thereby becomes terminable pursuant to Section 9.1(f) as a result, Cypress terminates this Agreement for another reason) (it being understood and hereby agreed that the failure to terminate this Agreement pursuant to Section 9.1(f) promptly following a Triggering Event shall not prejudice or otherwise limit or impair such party's ability to terminate this Agreement pursuant to

Section 9.1(f) at any subsequent point in time and collect the fee contemplated by this Section 9.3(c)(iii); *provided, however*, that notwithstanding the foregoing, the fee contemplated by this Section 9.3(c)(iii) shall not be payable in the event that the Cypress Board shall have effected a Cypress Board

A-65

Table of Contents

Recommendation Change (or another Triggering Event described in clauses (iv) or (v) of the definition thereof) at least ten (10) business days prior to the Cypress Stockholder Meeting, Spansion does not terminate this Agreement pursuant to Section 9.1(f) within five (5) days thereafter, and subsequent thereto Cypress obtains the Requisite Cypress Stockholder Approval at the Cypress Stockholder Meeting.

(iv) In no event shall Cypress be required to pay the Termination Fee pursuant to this Section 9.3(c) on more than one occasion.

(v) Cypress shall reimburse Spansion for Spansion's documented out-of-pocket expenses actually incurred in connection with this Agreement (the Spansion Expense Reimbursement), by wire transfer of immediately available funds to an account or accounts designated in writing by Spansion within three (3) Business Days after demand by Spansion, in the event that (A) following the execution and delivery of this Agreement and prior to the Cypress Stockholder Meeting (or any adjournment or postponement thereof) at which a vote is taken on the Cypress Voting Proposal, an Acquisition Proposal in respect of Cypress shall have been made to Cypress or the Cypress Board, or shall have been directly communicated or otherwise made known to Cypress Stockholders, or shall have been publicly announced or shall have become publicly known, or any Person shall have publicly announced an intention (whether or not conditional and whether or not withdrawn) to make an Acquisition Proposal in respect of Cypress, and (B) this Agreement is terminated pursuant to Section 9.1(d)(i) (or after the Cypress Stockholder Meeting has been held and a vote taken on the Cypress Voting Proposal and there has been a failure to obtain the Requisite Cypress Stockholder Approval, and this Agreement thereby becomes terminable pursuant to Section 9.1(d)(i) as a result, Cypress terminates this Agreement for another reason); *provided, however*, that (A) Cypress shall not be obligated to pay any amounts in excess of five million dollars (\$5,000,000) pursuant to this Section 9.3(c)(v), (B) if Cypress is subsequently required to pay the Termination Fee pursuant to this Section 9.3(c), the amount of such payment shall be reduced by the amount of the Spansion Expense Reimbursement previously paid to Spansion, and (C) for the purposes of this Section 9.3(c)(v), all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%.

(d) Enforcement. Each of Cypress and Spansion hereby acknowledge and agree that the covenants and agreements set forth in this Section 9.3 are an integral part of the transactions contemplated by this Agreement and, without these covenants and agreements, the parties hereto would not have entered into this Agreement. Accordingly, if either Cypress or Spansion shall fail to pay in a timely manner the amounts due pursuant to Section 9.3(b) or Section 9.3(c), as the case may be, and, in order to obtain such payment, the other party hereto shall make a claim that results in a judgment against the non-paying party, the non-paying party shall pay to the claimant its reasonable costs and expenses (including its reasonable attorneys' fees and expenses) incurred in connection with such suit, together with interest on the amounts set forth in Section 9.3(b) or Section 9.3(c), as the case may be, at the prime rate of Citibank N.A. in effect on the date such payment was required to be made. Payment of the fees described in Section 9.3(b) or Section 9.3(c), as the case may be, shall not be in lieu of, or replacement or substitution for, damages incurred in the event of any breach of this Agreement or fraud.

ARTICLE X

GENERAL PROVISIONS

10.1 Certain Interpretations.

(a) Unless otherwise indicated all references herein to Articles, Sections, Exhibits or Letters shall be deemed to refer to Articles, Sections, Exhibits or Letters of or to this Agreement, as applicable.

(b) Unless otherwise indicated, the words include, includes and including, when used herein, shall be deemed in each case to be followed by the words without limitation.

(c) When reference is made herein to a Person, such reference shall be deemed to include all direct and indirect Subsidiaries of such Person unless otherwise indicated or the context otherwise requires.

A-66

Table of Contents

(d) The table of contents and headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof.

(e) The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Legal Requirement, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

10.2 Non-Survival of Representations and Warranties. None of the representations and warranties set forth in this Agreement or in any certificate or instrument delivered pursuant hereto shall survive the Effective Time. The Confidentiality Agreement shall survive the execution and delivery of this Agreement or the termination of this Agreement in accordance with the provisions of this Agreement, as the case may be, pursuant to its terms and conditions.

10.3 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made if and when delivered personally or by overnight courier to the parties at the following addresses or sent by electronic transmission, with confirmation received, to the telecopy numbers specified below (or at such other address or telecopy number for a party as shall be specified by like notice):

(a) If to Cypress or Merger Sub:

Cypress Semiconductor Corporation

198 Champion Court

San Jose, CA 95134

Attention: Chief Executive Officer; General Counsel

Facsimile No.: (408) 545-6911

With a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati

Professional Corporation

650 Page Mill Road

Palo Alto, California 94304-1050

Attention: Larry Sonsini and Mike Ringler

Facsimile No.: (650) 493-6811

(b) If to Spansion:

Spansion Inc.

915 DeGuigne Drive

Sunnyvale, CA 94085

Attention: Chief Executive Officer; General Counsel

Facsimile No.: (408) 616-6659

With a copy (which shall not constitute notice) to:

Fenwick & West LLP

801 California Street

Mountain View, California 94041

Attention: Gordon K. Davidson and David W. Healy

Facsimile No.: (650) 938-5200

Any such notice or communication shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of facsimile, on the date sent if confirmation of

A-67

Table of Contents

receipt is received and such notice is also promptly mailed by registered or certified mail (return receipt requested), (iii) in the case of a nationally-recognized overnight courier in circumstances under which such courier guarantees next business day delivery, on the next business day after the date when sent and (iv) in the case of mailing, on the third (3rd) business day following that on which the piece of mail containing such communication is posted.

10.4 Assignment. This Agreement shall not be assigned by operation of law or otherwise, except that Cypress and Merger Sub may assign all or any of their rights hereunder to any wholly owned subsidiary thereof; provided, however, that no such assignment pursuant to this Section 10.4 shall relieve Cypress of its obligations hereunder.

10.5 Amendment. Subject to applicable Legal Requirements and the other provisions of this Agreement, this Agreement may be amended by the parties hereto by action taken by their respective boards of directors at any time prior to the Effective Time by execution of an instrument in writing signed on behalf of each of Cypress, Merger Sub and Spansion; provided, however, that, after the adoption of this Agreement by the Spansion Stockholders or the issuance of Cypress Common Stock by the Cypress Stockholders, no amendment may be made to this Agreement that requires further approval by such stockholders under applicable Legal Requirements.

10.6 Extension; Waiver. At any time and from time to time prior to the Effective Time, any party or parties hereto may, to the extent legally allowed and except as otherwise set forth herein, (a) extend the time for the performance of any of the obligations or other acts of the other party or parties hereto, as applicable, (b) waive any inaccuracies in the representations and warranties made to such party or parties hereto contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions for the benefit of such party or parties hereto contained herein. Any agreement on the part of a party or parties hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party or parties, as applicable. Any delay in exercising any right under this Agreement shall not constitute a waiver of such right.

10.7 Specific Performance. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

10.8 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.9 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Legal Requirement, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

10.10 Entire Agreement. This Agreement (including the documents and instruments referred to herein, including the Confidentiality Agreement) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof.

A-68

Table of Contents

10.11 No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person other than the parties hereto any rights or remedies hereunder, other than the Indemnified Parties intended to be third party beneficiaries of the provisions of Section 7.8, who shall have the right to enforce such provisions directly.

10.12 Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the conflict of law provisions thereof.

10.13 Consent to Jurisdiction. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of any state court located within the State of Delaware (or any federal court within the State of Delaware if such state court declines to accept or does not have jurisdiction) in connection with any matter based upon or arising out of this Agreement or the transactions contemplated hereby, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction, venue and process. Each party hereto hereby agrees not to commence any legal proceedings relating to or arising out of this Agreement or the transactions contemplated hereby in any jurisdiction or courts other than as provided herein.

10.14 Waiver of Jury Trial. EACH OF CYPRESS, MERGER SUB AND SPANSION HEREBY 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 THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF CYPRESS, MERGER SUB OR SPANSION IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

10.15 Counterparts. This Agreement may be executed in two or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

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Table of Contents

IN WITNESS WHEREOF, Cypress, Merger Sub and Spansion have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**CYPRESS SEMICONDUCTOR
CORPORATION**

By: /s/ T.J. Rodgers
Name: T.J. Rodgers
Title: President and Chief Executive Officer

**MUSTANG ACQUISITION
CORPORATION**

By: /s/ Thad Trent
Name: Thad Trent
Title: Secretary

SPANSION INC.

By: /s/ John H. Kispert
Name: John H. Kispert
Title: President and Chief Executive Officer

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

Table of Contents

ANNEX A

DEFINITIONS AND INTERPRETATIONS

For all purposes of and under this Agreement, the following capitalized terms shall have the following respective meanings:

(a) Acquisition Proposal shall mean any offer or proposal (or any indication of interest that is substantially equivalent to an offer or proposal) (other than an offer or proposal by the other party hereto) relating to any Acquisition Transaction.

(b) Acquisition Transaction shall mean, with respect to Spansion or Cypress, any transaction or series of related transactions (other than the transactions contemplated by this Agreement) involving: (i) any acquisition or purchase from a party hereto by any Person or group (as defined in or under Section 13(d) of the Exchange Act), directly or indirectly, of a fifteen percent (15%) or greater interest in the total outstanding equity interests or voting securities of such party, or any tender offer or exchange offer that if consummated would result in any Person or group (as defined in or under Section 13(d) of the Exchange Act) beneficially owning fifteen percent (15%) or more of the total outstanding equity interests or voting securities of a party hereto; (ii) any acquisition or purchase of fifty percent (50%) or more of any class of equity or other voting securities of one or more Subsidiaries of a party hereto the business(es) of which, individually or in the aggregate, generate or constitute fifteen percent (15%) or more of the net revenues, net income or assets (as of or for the twelve (12) month period ending on the last day of the applicable party's most recently completed fiscal year) of such party and its Subsidiaries, taken as a whole; (iii) any merger, consolidation, business combination or other similar transaction involving a party hereto or one or more of its Subsidiaries the business(es) of which, individually or in the aggregate, generate or constitute fifteen percent (15%) or more of the net revenues, net income or assets (as of or for the twelve (12) month period ending on the last day of the applicable party's most recently completed fiscal year) of such party and its Subsidiaries, taken as a whole, pursuant to which the stockholders of such party or such Subsidiary or Subsidiaries, as applicable, immediately preceding such transaction hold less than eighty-five percent (85%) of the equity interests in the surviving or resulting entity of such transaction; (iv) any sale, lease (other than in the ordinary course of business), exchange, transfer, license (other than in the ordinary course of business), acquisition or disposition of assets of a party hereto that generate or constitute fifteen percent (15%) or more of the net revenues, net income or assets (as of or for the twelve (12) month period ending on the last day of the applicable party's most recently completed fiscal year) of such party and its Subsidiaries, taken as a whole; (v) any liquidation, dissolution, recapitalization or other significant corporate reorganization of a party hereto or one or more of its Subsidiaries the business(es) of which, individually or in the aggregate, generate or constitute fifteen percent (15%) or more of the net revenues, net income or assets (as of or for the twelve (12) month period ending on the last day of the applicable party's most recently completed fiscal year) of such party and its Subsidiaries, taken as a whole; or (vi) any combination of the foregoing.

(c) Affiliate shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of the immediately preceding sentence, the term control (including, with correlative meanings, the terms controlling, controlled by and under common control with), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(d) Agreed Jurisdiction shall mean (i) the U.S., Germany and China (including every state, province or other political subdivision thereof, as applicable), and (ii) any other non-U.S. jurisdiction (and all political subdivisions thereof) in which Cypress or Spansion have material business operations or in which Cypress and Spansion mutually agree to

make a filing or otherwise seek a consent or approval of a Governmental Authority under applicable Antitrust Laws.

A-71

Table of Contents

- (e) business day shall mean any day, other than a Saturday, Sunday and any day which is a legal holiday under the laws of the State of California or is a day on which banking institutions located in California are authorized or required by Legal Requirements or other governmental action to close.
- (f) Closing Average shall mean the average of the closing sale prices for one share of Cypress Common Stock as quoted on the Nasdaq Global Select Market for the ten (10) consecutive trading days ending on the second (2nd) trading day immediately preceding the Closing Date.
- (g) Contract shall mean any legally binding oral or written contract, subcontract, agreement or commitment, note, bond, mortgage, indenture, lease, license, sublicense or other legally binding obligation, arrangement or understanding.
- (h) Cypress Balance Sheet shall mean the unaudited balance sheet of Cypress contained in the Cypress Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2014.
- (i) Cypress Bylaws shall mean the Amended and Restated Bylaws of Cypress, as amended and in effect on the date hereof.
- (j) Cypress Common Stock shall mean the Common Stock, par value \$0.01 per share, of Cypress.
- (k) Cypress Certificate of Incorporation shall mean the Cypress Second Restated Certificate of Incorporation, as amended and in effect on the date hereof.
- (l) Cypress Employee Plans shall mean all Employee Benefit Plans maintained, or contributed to by Cypress, any of Cypress's Subsidiaries or any of their respective ERISA Affiliates or to which Cypress, any of Cypress's Subsidiaries or any of their respective ERISA Affiliates is obligated to contribute, or under which any of them has or may reasonably be likely to have any liability for premiums or benefits or other obligations.
- (m) Cypress Intellectual Property Rights shall mean shall Intellectual Property Rights that are owned by or exclusively licensed to Cypress or its Subsidiaries.
- (n) Cypress Material Adverse Effect shall mean any fact, circumstance, change or effect that, individually or when taken together with all other such facts, circumstances, changes or effects that exist at the date of determination of the occurrence of the Cypress Material Adverse Effect, has or is reasonably likely to have a material adverse effect on the business, operations, financial condition or results of operations of Cypress and its Subsidiaries, taken as a whole; *provided, however*, that no facts, circumstances, changes or effects (by themselves or when aggregated with any other facts, circumstances, changes or effects) resulting from, relating to or arising out of the following shall be deemed to be or constitute a Cypress Material Adverse Effect, and no facts, circumstances, changes or effects resulting from, relating to or arising out of the following (by themselves or when aggregated with any other facts, circumstances, changes or effects) shall be taken into account when determining whether a Cypress Material Adverse Effect has occurred or may, would or could occur:
- (i) economic, financial or political conditions in the United States or any other jurisdiction in which Cypress or any of its Subsidiaries has substantial business or operations, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Cypress and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(ii) conditions in the semiconductor industry, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Cypress and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(iii) conditions in the financial markets, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Cypress and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

A-72

Table of Contents

(iv) acts of terrorism or war, weather conditions, power outages, and other force majeure events, but solely to the extent that such conditions and changes do not have a disproportionate impact on Cypress and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(v) the announcement or pendency of this Agreement, the Merger and the other transactions contemplated by this Agreement;

(vi) changes in Legal Requirements or GAAP (or any interpretations of GAAP);

(vii) failure by Cypress or any of its Subsidiaries to take any action that is expressly prohibited by this Agreement;

(viii) changes in Cypress's stock price or the trading volume of Cypress stock, in and of itself;

(ix) the failure to meet public estimates or forecasts of revenues, earnings or other financial metrics, in and of itself, or the failure to meet internal projections, forecasts or budgets of revenues, earnings or other financial metrics, in and of itself;

(x) any Legal Proceeding that is pending or threatened on or prior to the date of this Agreement or at any time between the date of this Agreement and the Effective Time, except to the extent that final judgments are rendered against Cypress after the date of this Agreement in an aggregate amount in excess of one-hundred million dollars (\$100,000,000) (provided, for the avoidance of doubt, that the existence of such final judgments in excess of one-hundred million dollars (\$100,000,000) shall not alone be dispositive of the existence of a Cypress Material Adverse Effect); or

(xi) any legal claims made or brought by any current or former Cypress Stockholders (on their own behalf or on behalf of Cypress) or other Legal Proceedings arising out of or related to this Agreement, the Merger or any other transactions contemplated by this Agreement.

(o) Delaware Law shall mean the DGCL and any other applicable Legal Requirements of the State of Delaware.

(p) DOJ shall mean the United States Department of Justice or any successor thereto.

(q) DOL shall mean the United States Department of Labor or any successor thereto.

(r) EC Merger Regulation shall mean the Council Regulation No. 4064/89 of the European Community, as amended.

(s) Employee Benefit Plan means any employee pension benefit plan covered under Section 3(2) of ERISA, any material employee welfare benefit plan covered under Section 3(1) of ERISA, and any other material written or oral plan, agreement or arrangement involving compensation or benefits, including insurance coverage, severance benefits, disability benefits, deferred compensation, bonuses, stock options, stock purchase, phantom stock, stock appreciation or other forms of fringe benefits, perquisites, incentive compensation or post-retirement compensation or post-employment compensation and all material employment, management, consulting, relocation, repatriation, expatriation, visa, work permit change in control, severance or similar agreements, written or otherwise, which is or has been maintained, contributed to or required to be contributed to for the benefit of, or relating to, any current or former employee, officer, director or consultant of Spansion or any of its Subsidiaries or Cypress or any of its Subsidiaries, as applicable, or any of their respective ERISA Affiliates, or with respect to which any such party has or may have any Liability.

A-73

Table of Contents

(t) Environmental Laws are all laws (including common laws), directives, guidance, rules, regulations, orders, treaties, statutes, and codes promulgated by any Governmental Authority which prohibit, regulate or control any Hazardous Material or any Hazardous Material Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Recovery and Conservation Act of 1976, the Federal Water Pollution Control Act, the Clean Air Act, the Hazardous Materials Transportation Act, the Clean Water Act, the WEEE Directive, or any foreign Law implementing the WEEE Directive, and the RoHS Directive or any foreign Law implementing the RoHS Directive, all as amended at any time.

(u) ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder, or any successor statute, rules and regulations thereto.

(v) ERISA Affiliate shall mean any entity which is, or at any applicable time was, a member of (i) a controlled group of corporations (as defined in Section 414(b) of the Code), (ii) a group of trades or businesses under common control (as defined in Section 414(c) of the Code) or (iii) an affiliated service group (as defined under Section 414(m) of the Code or the regulations under Section 414(o) of the Code), any of which includes or included Spansion or Cypress, as applicable, or a Subsidiary of Spansion or Cypress, as applicable.

(w) Exchange Act shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, or any successor statute, rules and regulations thereto.

(x) FTC shall mean the United States Federal Trade Commission or any successor thereto.

(y) GAAP shall mean generally accepted accounting principles, as applied in the United States.

(z) Governmental Authority shall mean any government, any governmental or regulatory entity or body, department, commission, board, agency or instrumentality, and any court, tribunal or judicial body, in each case whether federal, state, county, provincial, and whether local or foreign.

(aa) Hazardous Material is any material, chemical, emission, substance or waste that has been designated by any Governmental Authority to be radioactive, toxic, hazardous, corrosive, reactive, explosive, flammable, a medical or biological waste, a pollutant or otherwise a danger to health, reproduction or the environment.

(bb) Hazardous Materials Activity is the transportation, transfer, recycling, storage, use, treatment, manufacture, removal, remediation, release, exposure of others to, sale, or distribution of any Hazardous Material or any product or waste containing a Hazardous Material, or product manufactured with Ozone depleting substances, including any required labeling, payment of waste fees or charges (including so-called e-waste fees) and compliance with any product take-back, collection, recycling, or product content requirements.

(cc) HSR Act shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, or any successor statute, rules and regulations thereto.

(dd) Intellectual Property Rights shall mean common law and statutory rights anywhere in the world arising under or associated with (i) patents, patent applications and inventors' certificates (Patent), (ii) copyrights, copyright registrations and copyright applications, moral rights and mask work rights (Copyrights), (iii) trade and industrial secrets and confidential information and know-how (Trade Secrets), (iv) trademarks, trade names and service marks, and any applications or registration of the same (Trademarks), (v) other proprietary rights relating or with respect to the protection of Technology, and (vi) analogous rights to those set forth above.

(ee) Intervening Event shall mean, with respect to Cypress or Spansion, as applicable, any material event, circumstance, change, effect, development or condition occurring or arising after the date hereof that was not known by the Cypress Board or the Spansion Board, as applicable, as of or prior to the date hereof.

A-74

Table of Contents

(ff) IRS shall mean the United States Internal Revenue Service or any successor thereto.

(gg) Legal Proceeding shall mean any action, claim, suit, litigation, proceeding (public or private), criminal prosecution, audit or investigation by or before any Governmental Authority, including, without limitation any proceeding regarding the infringement of Intellectual Property before the U.S. International Trade Commission.

(hh) Legal Requirements shall mean applicable domestic or foreign federal, state, provincial, local, municipal or other law, statute, treaty, constitution, principle of common law, binding resolution, ordinance, code, binding edict, decree, directive, order, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

(ii) Liabilities shall mean any liability, obligation or commitment of any kind, whether absolute, accrued, fixed or contingent, matured or unmatured, determined or determinable or otherwise and whether or not required to be recorded or reflected on a balance sheet prepared in accordance with GAAP.

(jj) Lien shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature.

(kk) Nasdaq Global Select Market shall mean the Nasdaq Global Select Market or any successor thereto.

(ll) NYSE shall mean the New York Stock Exchange or any successor thereto.

(mm) Order shall mean any judgment, decision, decree, injunction, ruling, writ, assessment or order, whether temporary, preliminary or permanent, of any Governmental Authority that is binding on any Person or its property under applicable Legal Requirements.

(nn) Pension Plan shall mean an employee pension benefit plan, within the meaning of Section 3(2) of ERISA.

(oo) Person shall mean any individual, corporation (including any non-profit corporation), limited liability company, joint stock company, general partnership, limited partnership, joint venture, estate, trust, firm or other enterprise, association, organization, entity or any Governmental Authority.

(pp) Public Software means any software that is or contains, in whole or in part, any software that is licensed pursuant to an open source licensing agreement or similar agreement, including without limitation software licensed under the GNU General Public License (GPL) or the GNU Lesser/Library GPL, the Mozilla Public License, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, the BSD License, and the Apache License.

(qq) Qualifying Amendment shall mean an amendment or supplement to the Joint Proxy Statement/Prospectus relating to Cypress, the Joint Proxy Statement/Prospectus relating to Spansion or the Registration Statement (including by incorporation by reference) to the extent it contains (i) a Cypress Board Recommendation Change or a Spansion Board Recommendation Change (as the case may be), (ii) a statement of the reasons of the board of directors of Cypress or Spansion (as the case may be) for making such Cypress Board Recommendation Change or Spansion Board Recommendation Change (as the case may be) and (iii) additional information reasonably related to the foregoing.

(rr) Registered Intellectual Property shall mean any Intellectual Property Right that is the subject of a formal application or registration with any Governmental Authority (or with respect to domain names, any

A-75

Table of Contents

domain name registrar) including (i) issued Patents, (ii) registered Copyrights (including maskwork registrations), (iii) registered Trademarks, (iv) domain name registrations, and (v) any applications, including provisional applications, for such registrations (as applicable).

(ss) RoHS Directive shall mean the European Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

(tt) Sarbanes-Oxley Act shall mean the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder, or any successor statute, rules or regulations thereto.

(uu) SEC shall mean the United States Securities and Exchange Commission or any successor thereto.

(vv) Section 16 Information shall mean information regarding Spansion Insiders and (i) the number of shares of Spansion Common Stock or other Spansion equity securities deemed to be beneficially owned by each such Spansion Insider and expected to be exchanged for Cypress Common Stock and (ii) the number of shares of Spansion Common Stock, together with the applicable exercise price per share, subject to each Spansion Stock Award held by Spansion Insider which is to be assumed and converted into options to purchase Cypress Common Stock, in each case, in connection with the Merger, which shall be provided by Spansion to Cypress within ten (10) Business Days after the date of this Agreement.

(ww) Securities Act shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, or any successor statute, rules or regulations thereto.

(xx) Spansion Balance Sheet shall mean the unaudited balance sheet of Spansion contained in the Spansion Quarterly Report on Form 10-Q for the quarterly period ended September 28, 2014.

(yy) Spansion Bylaws shall mean the Amended and Restated Bylaws of Spansion, as amended and in effect on the date hereof.

(zz) Spansion Capital Stock shall mean Spansion Common Stock and Spansion Preferred Stock.

(aaa) Spansion Certificate of Incorporation shall mean the Amended and Restated Certificate of Incorporation of Spansion, as amended and in effect on the date hereof.

(bbb) Spansion Class A Common Stock shall mean the Class A Common Stock, par value \$0.001 per share, of Spansion.

(ccc) Spansion Class B Common Stock shall mean the Class B Common Stock, par value \$0.001 per share, of Spansion.

(ddd) Spansion Common Stock shall mean the Spansion Class A Common Stock and the Spansion Class B Common Stock.

(eee) Spansion Employee Plans shall mean all Employee Benefit Plans maintained, or contributed to by Spansion, any of Spansion's Subsidiaries or any of their respective ERISA Affiliates or to which Spansion, any of Spansion's Subsidiaries or any of their respective ERISA Affiliates is obligated to contribute, or under which any of them has or may reasonably be likely to have any liability for premiums or benefits or other obligations.

(fff) Spansion ESPP shall mean Spansion's 2014 Employee Stock Purchase Plan.

A-76

Table of Contents

(ggg) Spansion Insiders means those officers and directors of Spansion who are subject to the reporting requirements of Section 16(a) of the Exchange Act as listed in the Section 16 Information.

(hhh) Spansion Intellectual Property Rights shall mean Intellectual Property Rights that are owned by or exclusively licensed to Spansion or its Subsidiaries.

(iii) Spansion Material Adverse Effect shall mean any fact, circumstance, change or effect that, individually or when taken together with all other such facts, circumstances, changes or effects that exist at the date of determination of the occurrence of the Spansion Material Adverse Effect, has or is reasonably likely to have a material adverse effect on the business, operations, financial condition or results of operations of Spansion and its Subsidiaries, taken as a whole; *provided, however*, that no facts, circumstances, changes or effects (by themselves or when aggregated with any other facts, circumstances, changes or effects) resulting from, relating to or arising out of the following shall be deemed to be or constitute a Spansion Material Adverse Effect, and no facts, circumstances, changes or effects resulting from, relating to or arising out of the following (by themselves or when aggregated with any other facts, circumstances, changes or effects) shall be taken into account when determining whether a Spansion Material Adverse Effect has occurred or may, would or could occur:

(i) economic, financial or political conditions in the United States or any other jurisdiction in which Spansion or any of its Subsidiaries has substantial business or operations, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Spansion and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(ii) conditions in the semiconductor industry, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Spansion and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(iii) conditions in the financial markets, and any changes therein, but solely to the extent that such conditions and changes do not have a disproportionate impact on Spansion and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(iv) acts of terrorism or war, weather conditions, power outages, and other force majeure events, but solely to the extent that such conditions and changes do not have a disproportionate impact on Spansion and its Subsidiaries, taken as a whole, relative to other semiconductor companies of comparable size;

(v) the announcement or pendency of this Agreement, the Merger and the other transactions contemplated by this Agreement;

(vi) changes in Legal Requirements or GAAP (or any interpretations of GAAP);

(vii) failure by Spansion or any of its Subsidiaries to take any action that is expressly prohibited by this Agreement;

(viii) changes in Spansion's stock price or the trading volume of Spansion stock, in and of itself;

(ix) the failure to meet public estimates or forecasts of revenues, earnings or other financial metrics, in and of itself, or the failure to meet internal projections, forecasts or budgets of revenues, earnings or other financial metrics, in and of itself;

(x) any Legal Proceeding that is pending or threatened on or prior to the date of this Agreement or at any time between the date of this Agreement and the Effective Time, except to the extent that final judgments are rendered against Spansion after the date of this Agreement in an aggregate amount in excess of one-hundred million dollars (\$100,000,000) (provided, for the avoidance of doubt, that the existence of such final judgments in excess of one-hundred million dollars (\$100,000,000) shall not alone be dispositive of the existence of a Spansion Material Adverse Effect); or

A-77

Table of Contents

(xi) any legal claims made or brought by any current or former Spansion Stockholders (on their own behalf or on behalf of Spansion) or other Legal Proceedings arising out of or related to this Agreement, the Merger or any other transactions contemplated by this Agreement.

(jjj) Spansion Preferred Stock shall mean the Preferred Stock, par value \$0.001 per share, of Spansion.

(kkk) Spansion Product shall mean all products, technologies and services developed (including products, technologies and services under development), owned, made, provided, distributed, imported, sold or licensed by or on behalf of Spansion and/or any of its Subsidiaries.

(lll) Spansion Performance Stock Unit shall mean any Spansion Stock Award that is an award representing the right to receive in the future shares of Spansion Common Stock from Spansion in accordance with a performance-based vesting schedule or issuance schedule.

(mmm) Spansion Registration Rights Agreements shall mean the Registration Rights Agreements between Spansion and the holders named therein, dated May 10, 2010, filed as Exhibit 4.4 to Form S-3 filed March 12, 2012 and between Spansion LLC, Spansion Technology LLC, and Spansion, and Barclays Capital Inc. and Morgan Stanley & Co. Incorporated, dated November 9, 2010, filed as Exhibit 10.1 to Spansion's Current Report on Form 8-K dated November 9, 2010.

(nnn) Spansion Restricted Stock Unit shall mean any Spansion Stock Award that is an award representing the right to receive in the future shares of Spansion Common Stock from Spansion in accordance with a vesting schedule or issuance schedule, and that is not a Performance Stock Unit.

(ooo) Spansion Stockholders shall mean holders of shares of Spansion Capital Stock.

(ppp) Subsidiary of any Person shall mean, with respect to any party, any corporation or other organization, whether incorporated or unincorporated, of which (i) such party or any other Subsidiary of such party is a general partner, manager or managing member, (ii) such party or any Subsidiary of such party owns at least a majority of the outstanding equity or voting securities or interests or (iii) such party or any Subsidiary of such party has the right to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization.

(qqq) Superior Proposal shall mean any unsolicited *bona fide* written Acquisition Proposal (*provided, however*, that for the purposes of the definition of Superior Proposal, all references to 15% in the definition of Acquisition Transaction shall be replaced by 50%) with respect to which the board of directors of the applicable party hereto (or an authorized committee thereof established solely to address a conflict of interest with such Person making such Acquisition Proposal and/or the Acquisition Proposal itself) shall have determined in good faith (after consultation with its financial advisor of nationally recognized standing and its outside legal counsel, and after taking into account, among other things, the financial, legal and regulatory aspects of such Acquisition Transaction, the extent to which such Acquisition Transaction is conditioned on third party financing and, if so, the extent to which the Person proposing such Acquisition Transaction has obtained commitments for any such third party financing, as well as any counter-offer or proposal made by the other party hereto) that (i) the acquiring party is reasonably capable of timely consummating the proposed Acquisition Transaction on the terms proposed, and (ii) the proposed Acquisition Transaction would, if timely consummated in accordance with its terms, be more favorable to the stockholders of the applicable party hereto (in their capacity as such) than the Merger and other transactions contemplated by this Agreement (or any counter-offer or proposal made by the other party hereto).

(rrr) Taxes shall mean any and all domestic or foreign, federal, state, local or other taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect

A-78

Table of Contents

thereto) imposed by any Governmental Authority, including taxes on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, unemployment, social security, workers' compensation or net worth, taxes in the nature of excise, withholding, ad valorem or value added, and any obligations with respect to such amounts arising as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or under any agreements or arrangements with any other person and including any liability for taxes of a predecessor or transferor.

(sss) Tax Return shall mean any return, report or similar filing (including the attached schedules) required to be filed with respect to Taxes, including any information return, claim for refund, amended return or declaration of estimated Taxes.

(ttt) Technology shall mean tangible embodiments of any or all of the following (i) works of authorship including computer programs, source code, executable code, RTL and GDS II files, whether embodied in software, firmware or otherwise, architecture, documentation, designs, files, records, and data related to the foregoing, (ii) inventions (whether or not patentable), discoveries, improvements, and technology, (iii) proprietary and confidential information, trade secrets and know how, (iv) databases, data compilations and collections, and technical data, (v) logos, trade names, trade dress, trademarks and service marks, (vi) domain names, web addresses and sites, (vii) tools, methods and processes, (viii) devices, prototypes, schematics, breadboards, netlists, mask works, test methodologies, verilog files, emulation and simulation reports, test vectors, and hardware development tools, and (ix) any and all instantiations of the foregoing in any form and embodied in any media.

(uuu) Triggering Event shall mean, and shall be deemed to have occurred with respect to Cypress or Spansion if, prior to the Effective Time, any of the following shall have occurred with respect to such party:

(i) such party shall have willfully or intentionally breached the terms of Section 6.1, Section 6.2, Section 6.3 or Section 7.4 in any material respect (whether or not resulting in the receipt of an Acquisition Proposal);

(ii) Spansion shall have failed to include the Spansion Board Recommendation in the Joint Proxy Statement/Prospectus in the case of Spansion, or Cypress shall have failed to include the Cypress Board Recommendation in the Joint Proxy Statement/Prospectus in the case of Cypress;

(iii) the Spansion Board or any committee thereof shall have for any reason effected a Spansion Board Recommendation Change in the case of Spansion, or the Cypress Board shall have effected a Cypress Board Recommendation Change in the case of Cypress;

(iv) the Spansion Board or any committee thereof shall have for any reason approved, or recommended that the Spansion Stockholders approve, any Acquisition Proposal or Acquisition Transaction other than the transactions contemplated by this Agreement (whether or not a Superior Proposal) in the case of Spansion, or the Cypress Board or any committee thereof shall have for any reason approved, or recommended that the Cypress Stockholders approve, any Acquisition Proposal or Acquisition Transaction other than the transactions contemplated by this Agreement (whether or not a Superior Proposal) in the case of Cypress;

(v) an Acquisition Proposal (whether or not a Superior Proposal) shall have been made in respect of such party by a Person unaffiliated with the other party hereto and, within ten (10) business days after notice of such Acquisition Proposal is first published, sent or given to such party's stockholders, and, if requested by the other party hereto, such party shall not have sent to its stockholders, pursuant to Rule 14e-2 under the Exchange Act, a statement unconditionally reaffirming the Spansion Board Recommendation in the case of Spansion, or the Cypress Board Recommendation in the case of Cypress, and unconditionally recommending that its stockholders reject such

Acquisition Proposal and not tender any shares of its capital stock into such Acquisition Proposal if made in the form of a tender or exchange offer; or

A-79

Table of Contents

(vi) except for the confidentiality agreement required by Section 6.3 as a pre-condition to taking any actions described therein, such party shall have entered into a letter of intent, memorandum of understanding or other Contract accepting any Acquisition Proposal or Acquisition Transaction (whether or not a Superior Proposal).

(vvv) WEEE Directive shall mean the European Directive 2002/96/EC on waste electrical and electronic equipment.

Additional Definitions. The following capitalized terms shall have the respective meanings ascribed thereto in the respective sections of this Agreement set forth opposite each of the capitalized terms below:

| Term | Section Reference |
|--|--------------------------|
| Agreement | Preamble |
| Antitrust Laws | 7.2(a) |
| Anti-Corruption Laws | 3.19(b) |
| Assumed Option | 1.4(c)(i) |
| Assumed Unit | 1.4(c)(ii) |
| Book Entry Shares | 2.3(c) |
| Cypress | Preamble |
| Cypress 1999 Stock Plan | 4.5(a)(iii) |
| Cypress 2012 Plan | 4.5(a)(v) |
| Cypress 2013 Stock Plan | 4.5(a)(iv) |
| Cypress Board | 4.2(b) |
| Cypress Board Recommendation | 7.4(e) |
| Cypress Board Recommendation Change | 7.4(f) |
| Cypress Capitalization Representations | 2.2(c)(ii) |
| Cypress Disclosure Letter | Article IV |
| Cypress ESPP | 4.5(a)(vi) |
| Cypress Expense Reimbursement | 9.3(b)(v) |
| Cypress Fundamental Representations | 2.2(c)(ii) |
| Cypress In Licenses | 4.13(e) |
| Cypress IP Licenses | 4.13(f) |
| Cypress Material Contract | 4.14(a) |
| Cypress Non-U.S. Employee Plans | 4.16(k) |
| Cypress Out Licenses | 4.13(f) |
| Cypress Permits | 4.20 |
| Cypress Preferred Stock | 4.5(a) |
| Cypress Qualified Plan | 4.16(e) |
| Cypress Real Property Leases | 4.11 |
| Cypress Registered Intellectual Property | 4.13(a) |
| Cypress SEC Reports | 4.7 |
| Cypress Stock Awards | 4.5(b) |
| Cypress Stock Plans | 4.5(b) |
| Cypress Stockholder Meeting | 7.4(a) |
| Cypress Subsidiary Documents | 4.4 |
| Cypress Support Agreement | Preamble |
| Cypress Voting Proposal | 4.2(b) |

| | |
|-----------------------|--------|
| Certificate of Merger | 1.1 |
| Certificates | 2.3(c) |
| Closing | 2.1 |
| Closing Date | 2.1 |

A-80

Table of Contents

| Term | Section Reference |
|---|--------------------------|
| Code | Preamble |
| Common Stock Consideration | 1.4(b)(i) |
| Confidentiality Agreement | 7.5(h) |
| Delaware Secretary of State | 1.1 |
| DGCL | Preamble |
| EAR | 3.19(c) |
| Effective Time | 1.1 |
| ESPP | 5.2(b) |
| Exchange Agent | 2.3(a) |
| Exchange Fund | 2.3(b) |
| Exchange Ratio | 1.4(b)(i) |
| Exchangeable Senior Notes | 7.15 |
| Export Controls | 3.19(c) |
| FCPA | 3.19(b) |
| First Extended Termination Date | 9.1(c) |
| Import Restrictions | 3.19(c) |
| Indemnified Parties | 7.8(a) |
| Indenture | 7.15 |
| Initial Termination Date | 9.1(c) |
| ITAR | 3.19(c) |
| Jefferies | 3.25 |
| Joint Proxy Statement/Prospectus | 7.3(a) |
| Maximum Annual Premium | 7.8(b) |
| Merger | Preamble |
| Merger Stockholder Meetings | 7.4(a) |
| Merger Sub | Preamble |
| Morgan Stanley | 3.2(b) |
| Notes | 7.15 |
| OFAC | 3.19(c) |
| Permits | 3.20 |
| Qatalyst Partners | 4.2(b) |
| Registration Statement | 7.3(a) |
| Regulation M-A Filing | 7.3(c) |
| Requisite Cypress Stockholder Approval | 4.2(c) |
| Requisite Spansion Stockholder Approval | 3.2(c) |
| Representatives | 6.1 |
| Second Extended Termination Date | 9.1(c) |
| Spansion | Preamble |
| Spansion 2010 Plan | 3.5(a)(ii) |
| Spansion Board | 3.2(b) |
| Spansion Board Recommendation | 7.4(e) |
| Spansion Board Recommendation Change | 7.4(f) |
| Spansion Capitalization Representations | 2.2(b)(ii) |
| Spansion D&O Policy | 7.8(b) |
| Spansion Disclosure Letter | Article III |
| Spansion Employees | 7.7(c) |
| Spansion Expense Reimbursement | 9.3(c)(v) |

| | |
|-------------------------------------|------------|
| Spanion Fundamental Representations | 2.2(b)(ii) |
| Spanion In Licenses | 3.13(e) |
| Spanion IP Licenses | 3.13(f) |
| Spanion Material Contract | 3.14(a) |

A-81

Table of Contents

| Term | Section Reference |
|---|--------------------------|
| Spansion Non-Employee Director Plan | 3.5(a)(iii) |
| Spansion Non-U.S. Employee Plans | 3.16(k) |
| Spansion Out Licenses | 3.13(f) |
| Spansion Permits | 3.20 |
| Spansion Qualified Plan | 3.14(e) |
| Spansion Real Property Leases | 3.11 |
| Spansion Registered Intellectual Property | 3.13(a) |
| Spansion Restricted Stock | 1.4(b)(iii) |
| Spansion SEC Reports | 3.7 |
| Spansion Stock Awards | 3.5(c) |
| Spansion Stock Option | 1.4(c)(i) |
| Spansion Stock Plans | 3.5(b) |
| Spansion Stockholder Meeting | 7.4(a) |
| Spansion Subsidiary Documents | 3.4 |
| Spansion Support Agreement | Preamble |
| Spansion Terminating Plans | 7.7(b) |
| Spansion Voting Proposal | 3.2(b) |
| Supplemental Indenture | 7.15 |
| Surviving Corporation | 1.1 |
| Takeover Statute | 3.24 |
| Tax Opinions | 7.12(b) |
| Termination Fee Amount | 9.3(b)(i) |
| Trustee | 7.15 |
| Unassumed Non-U.S. Options | 1.4(c)(i) |
| Unassumed Non-U.S. Units | 1.4(c)(ii) |
| WARN Act | 3.17(c) |

Table of Contents

EXHIBIT A

FORM OF SPANSION SUPPORT AGREEMENT

Table of Contents

EXHIBIT B

FORM OF CYPRESS SUPPORT AGREEMENT

Table of Contents

ANNEX B

December 1, 2014

Board of Directors

Cypress Semiconductor Corporation

198 Champion Court

San Jose, CA 95134

Members of the Board:

We understand that Cypress Semiconductor Corporation (Parent), Spansion Inc. (the Company) and Mustang Acquisition Corporation, a wholly owned subsidiary of Parent (Merger Sub), have entered an Agreement and Plan of Merger and Reorganization, dated as of December 1, 2014 (the Merger Agreement), pursuant to which, among other things, Merger Sub will merge with and into the Company (the Merger). Pursuant to the Merger, the Company will become a wholly owned subsidiary of Parent, and each outstanding share of Class A Common Stock of the Company, par value \$0.001 per share (Company Class A Common Stock), and of Class B Common Stock of the Company, par value \$0.001 per share (Company Class B Common Stock and, together with the Company Class A Common Stock, Company Common Stock), other than shares owned by Parent, Merger Sub or the Company, or by any direct or indirect wholly owned subsidiary of Parent, Merger Sub or the Company, will be converted into the right to receive 2.457 shares (the Exchange Ratio) of common stock of Parent, par value \$.01 per share (Parent Common Stock). The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether the Exchange Ratio pursuant to the Merger Agreement is fair, from a financial point of view, to Parent.

For purposes of the opinion set forth herein, we have reviewed the Merger Agreement, certain related documents and certain publicly available financial statements and other business and financial information of the Company and Parent. We have also reviewed (i) certain forward-looking information relating to the Company prepared by the managements of the Company and Parent, including financial projections and operating data of the Company (the Company Projections), (ii) certain forward-looking information relating to Parent prepared by the management of Parent, including financial projections and operating data of Parent (the Parent Projections), and (iii) information relating to certain strategic, financial and operational benefits anticipated from the Merger prepared by the managements of Parent and the Company (the Synergies). Additionally, we discussed the past and current operations and financial condition and the prospects of the Company and Parent, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of the Company and Parent. We also reviewed the historical market prices and trading activity for Company Common Stock and Parent Common Stock and compared the financial performance of the Company and Parent and the prices and trading activity of Company Common Stock and Parent Common Stock with each other and with that of certain other selected publicly-traded companies and their securities. In addition, we performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to, or

B-1

Table of Contents

discussed with, us by the Company and Parent. With respect to the Company Projections, we have been advised by the managements of the Company and Parent, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of the Company and Parent of the future financial performance of the Company. With respect to the Parent Projections, we have been advised by the management of Parent, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Parent of the future financial performance of Parent. With respect to the Synergies, we have been advised by the management of Parent, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Parent relating to the strategic, financial and operational benefits anticipated from the Merger. We have assumed that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement, without any modification, waiver or delay. In addition, we have assumed that in connection with the receipt of all the necessary approvals of the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that could have an adverse effect on the Company, Parent or the contemplated benefits expected to be derived in the proposed Merger. We have also assumed that the Merger will qualify as a tax-free reorganization under the Internal Revenue Code of 1986, as amended. We have not made any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or Parent, nor have we been furnished with any such evaluation or appraisal. In addition, we have relied, without independent verification, upon the assessments of the managements of the Company and Parent as to (i) the existing and future technology and products of the Company and Parent and the risks associated with such technology and products, (ii) their ability to integrate the businesses of the Company and Parent and (iii) their ability to retain key employees of the Company and Parent.

We have acted as financial advisor to the Board of Directors of Parent in connection with this transaction and will receive a fee for our services payable upon rendering of this opinion. We will also receive an additional, larger fee if the Merger is consummated. In addition, Parent has agreed to reimburse our expenses and indemnify us for certain liabilities arising out of our engagement. During the two year period prior to the date hereof, no material relationship existed between Qatalyst or any of its affiliates and the Company or Parent pursuant to which compensation was received by Qatalyst or its affiliates; however, Qatalyst and/or its affiliates may in the future provide investment banking and other financial services to the Company or Parent and their respective affiliates for which we would expect to receive compensation.

Qatalyst provides investment banking and other services to a wide range of corporations and individuals, domestically and offshore, from which conflicting interests or duties may arise. In the ordinary course of these activities, affiliates of Qatalyst may at any time hold long or short positions, and may trade or otherwise effect transactions in debt or equity securities or loans of the Company, Parent or certain of their respective affiliates.

This opinion has been approved by our opinion committee in accordance with our customary practice. This opinion is for the information of the Board of Directors of Parent and may not be used for any other purpose without our prior written consent. This opinion does not constitute a recommendation as to how any holder of shares of Parent Common Stock or shares of Company Common Stock should vote with respect to the Merger or any other matter and does not in any manner address the price at which Parent Common Stock or Company Common Stock will trade at any time.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. Our opinion does not address the underlying business decision of Parent to engage in the Merger, or the relative merits of the Merger as compared to any strategic alternatives that may be available to Parent. Our opinion is limited to the fairness, from a financial point of view, of the Exchange Ratio pursuant to the Merger Agreement, and we express no opinion with respect to the fairness of the amount or nature of the compensation to any of officers,

directors or employees of Parent or the Company, or any class of such persons, relative to such Exchange Ratio.

B-2

Table of Contents

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Exchange Ratio pursuant to the Merger Agreement is fair, from a financial point of view, to Parent.

Yours faithfully,

QATALYST PARTNERS LP

B-3

Table of Contents

ANNEX C

2725 Sand Hill Road

Suite 200

Menlo Park, CA 94025
December 1, 2014

Board of Directors

Spancion Inc.

915 DeGuigne Drive

Sunnyvale, California 94085

Members of the Board:

We understand that Spancion Inc. (the Company), Cypress Semiconductor Corporation (the Buyer) and Mustang Acquisition Corporation., a wholly owned subsidiary of the Buyer (Merger Sub), propose to enter into an Agreement and Plan of Merger and Reorganization, substantially in the form of the draft dated December 1, 2014 (the Merger Agreement), which provides, among other things, for the merger (the Merger) of Merger Sub with and into the Company. Pursuant to the Merger, the Company will become a wholly owned subsidiary of the Buyer, and each outstanding share of (i) the Class A Common Stock, par value \$0.001 per share (the Company Class A Common Stock), and (ii) the Class B Common Stock, par value \$0.001 per share (the Company Class B Common Stock ; together with the Company Class A Common Stock, the Company Common Stock), of the Company, other than shares held in treasury, or by the Buyer, Merger Sub or any direct or indirect wholly owned subsidiary of the Buyer, Merger Sub or the Company (collectively the Excluded Shares), will be converted into the right to receive 2.457 shares (the Exchange Ratio) of common stock, par value \$0.01 per share, of the Buyer (the Buyer Common Stock). You have informed us that, as of the date hereof, there are no outstanding shares of the Company Class B Common Stock. The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether the Exchange Ratio pursuant to the Merger Agreement is fair from a financial point of view to the holders of shares of the Company Common Stock (other than the holders of the Excluded Shares).

For purposes of the opinion set forth herein, we have:

- 1) Reviewed certain publicly available financial statements and other business and financial information of the Company and the Buyer, respectively;
- 2)

Reviewed certain internal financial statements and other financial and operating data concerning the Company and the Buyer, respectively;

- 3) Reviewed certain financial projections prepared by the managements of the Company and the Buyer, respectively;
- 4) Reviewed information relating to certain strategic, financial and operational benefits anticipated from the Merger, prepared by the managements of the Company and the Buyer, respectively;
- 5) Discussed the past and current operations and financial condition and the prospects of the Company, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of the Company;
- 6) Discussed the past and current operations and financial condition and the prospects of the Buyer, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of the Buyer;
- 7) Reviewed the pro forma impact of the Merger on the Buyer's earnings per share, cash flow, financial ratios and consolidated capitalization;
- 8) Reviewed the reported prices and trading activity for the Company Class A Common Stock and the Buyer Common Stock;

C-1

Table of Contents

- 9) Compared the financial performance of the Company and the Buyer and the prices and trading activity of the Company Class A Common Stock and the Buyer Common Stock with that of certain other publicly-traded companies comparable with the Company and the Buyer, respectively, and their securities;
- 10) Reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- 11) Participated in certain discussions and negotiations among representatives of the Company and the Buyer and their financial and legal advisors;
- 12) Reviewed the Merger Agreement and certain related documents; and

- 13) Performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company and the Buyer, and formed a substantial basis for this opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of the Company and the Buyer of the future financial performance of the Company and the Buyer. In addition, we have assumed that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the Merger will be treated as a tax-free reorganization, pursuant to the Internal Revenue Code of 1986, as amended. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. We have relied upon, without independent verification, the assessment by the managements of the Company and the Buyer, respectively, of: (i) the strategic, financial and other benefits expected to result from the Merger; (ii) the timing and risks associated with the integration of the Company and the Buyer; (iii) their ability to retain key employees of the Company and the Buyer, respectively and (iv) the validity of, and risks associated with, the Company and the Buyer's existing and future technologies, intellectual property, products, services and business models. We are not legal, tax or regulatory advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Buyer and the Company and their legal, tax, or regulatory advisors with respect to legal, tax, or regulatory matters. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of the Company Common Stock in the Merger. We have not made any independent valuation or appraisal of the assets or liabilities of the Company or the Buyer, nor have we been furnished with any such valuations or appraisals. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We have acted as financial advisor to the Board of Directors of the Company in connection with the Merger and will receive a fee for our services, a substantial portion of which is contingent upon the closing of the Merger. In the two years prior to the date hereof, we have provided financing services for the Buyer and the Company and have received

fees in connection with such services. Morgan Stanley may also seek to provide financial advisory and financing services to the Buyer and the Company in the future and expects to receive fees for the rendering of these services.

Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime

C-2

Table of Contents

brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Buyer, the Company, or any other company, or any currency or commodity, that may be involved in the Merger, or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Board of Directors of the Company and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be included in its entirety in any filing the Company is required to make with the Securities and Exchange Commission in connection with the Merger if such inclusion is required by applicable law.

This opinion does not address the relative merits of the Merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. In addition, this opinion does not in any manner address the prices at which the Company Class A Common Stock or Buyer Common Stock will trade following consummation of the Merger or at any time, and Morgan Stanley expresses no opinion or recommendation as to how the stockholders of the Company or the Buyer should vote at the stockholders meetings to be held in connection with the Merger.

Based on and subject to the foregoing, we are of the opinion on the date hereof that the Exchange Ratio pursuant to the Merger Agreement is fair from a financial point of view to the holders of shares of the Company Common Stock (other than the holders of the Excluded Shares).

Very truly yours,

MORGAN STANLEY & CO. LLC

By: /s/ Michael F. Wyatt
Michael F. Wyatt

Managing Director

C-3

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. *Indemnification of Officers and Directors*

Section 145 of the General Corporation Law of the State of Delaware authorizes a court to award or a corporation's board to grant indemnification to directors and officers in terms that are sufficiently broad to permit indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933. Cypress' certificate of incorporation contains a provision eliminating the personal liability of its directors to the company or its stockholders for breach of fiduciary duty as a director to the fullest extent permitted by applicable law. Cypress' by-laws provide for the mandatory indemnification of our directors and officers to the maximum extent permitted by Delaware law. In addition, our by-laws give us the power to indemnify our employees and agents to the maximum extent permitted by Delaware law.

Under the terms of the merger agreement, Cypress will honor all obligations of Spansion contained in any indemnification agreement in effect prior to completion of the merger between Spansion or its subsidiaries and any of its current or former directors or officers for a period of six years after completion of the merger.

For six years following the effective time of the merger, Cypress will maintain the existing policy of Spansion's directors and officers' and fiduciary liability insurance covering claims arising from facts or events that occurred prior to the completion of the merger, including acts or omissions occurring in connection with the merger agreement and completion of the merger to the extent such acts or omissions are covered by the existing insurance policy, and covering each director and officer of Spansion who was covered at the effective time of the merger on terms with respect to coverage and amounts no less favorable than those in effect prior to the signing of the merger agreement. However, Cypress will not be required to expend in any one year an amount in excess of 250% of the annual premium paid by Spansion at the time the merger agreement was signed. In the event the premium exceeds 250% of the annual premium at the time the merger agreement was signed, Cypress will be obligated to obtain an insurance policy with the greatest coverage available for a cost not exceeding 250% of the annual premium paid by Spansion at the time the merger agreement was signed. Alternatively, Cypress or Spansion may, prior to completion of the merger, purchase a six year tail prepaid insurance policy on terms and conditions no less advantageous than, from an issuer with an AM Best rating no worse than the issuer of, Spansion's current director and officer policy. Prior to the effective time of the merger, Cypress will also purchase, for the benefit of the directors and officers of Cypress, liability insurance with a coverage limit of no less than \$50 million, or such other amount as is mutually agreed by Spansion and Cypress.

Item 21. *Exhibits and Financial Statement Schedules*

(1) The following exhibits are filed herewith or incorporated herein by reference:

**Exhibit
Number**

Exhibit Description

| | |
|------|---|
| 2.1* | Agreement and Plan of Merger and Reorganization, dated as of December 1, 2014, by and among Cypress Semiconductor Corporation, Mustang Acquisition Corporation and Spansion Inc., previously filed (included as Annex A to the joint proxy statement/prospectus forming part of this registration |
|------|---|

statement)

- 3(i).1 Second Restated Certificate of Incorporation of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 10-K filed on March 26, 2001)
- 3(ii).1 Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on March 31, 2006)

II-1

Table of Contents

Exhibit Number

Exhibit Description

| | |
|---------|--|
| 3(ii).2 | Certificate of Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on May 28, 2009) |
| 3(ii).3 | Certificate of Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on May 18, 2010) |
| 3(ii).4 | Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on December 1, 2014) |
| 5.1** | Legal opinion of Wilson Sonsini Goodrich & Rosati Professional Corporation |
| 8.1** | Tax opinion of Wilson Sonsini Goodrich & Rosati Professional Corporation |
| 8.2** | Tax opinion of Fenwick & West LLP |
| 23.1** | Consent of Wilson Sonsini Goodrich & Rosati Professional Corporation (included as part of its opinions in Exhibits 5.1 and 8.1) |
| 23.2** | Consent of Fenwick & West LLP (included as part of its opinion in Exhibit 8.2) |
| 23.3* | Consent of PricewaterhouseCoopers LLP |
| 23.4* | Consent of PricewaterhouseCoopers LLP |
| 23.5* | Consent of Ernst & Young ShinNihon LLC, Independent Auditors |
| 24.1 | Power of Attorney (included on signature page to this Registration Statement on Form S-4) |
| 99.1** | Form of Proxy for Cypress Semiconductor Corporation |
| 99.2** | Form of Proxy for Spansion Inc. |
| 99.3* | Opinion of Qatalyst Partners LP, financial advisor to the Cypress (included as Annex B to the joint proxy statement/prospectus forming part of this registration statement) |
| 99.4* | Opinion of Morgan Stanley & Co. LLC, financial advisor to Spansion Inc. (included as Annex C to the joint proxy statement/prospectus forming part of this registration statement) |
| 99.5* | Consent of Qatalyst Partners LP, financial advisor to Cypress |
| 99.6* | Consent of Morgan Stanley & Co. LLC, financial advisor to Spansion, Inc. |
| 99.7* | Consent of John H. Kispert. |
| 99.8* | Consent of Raymond Bingham. |

* Filed herewith.

** To be filed by amendment.

Pursuant to Item 601(b)(2) of Regulation S-K, Cypress agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Agreement and Plan of Merger and Reorganization to the Securities and Exchange Commission upon request.

Item 22. Undertakings

- (1) that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference into this registration statement will be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof;

II-2

Table of Contents

- (2) to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report, to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information;
- (3) insofar as indemnification for liabilities under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 20 above, or otherwise, the registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. If a claim of indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in a successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue;
- (4) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form S-4, within one business day of receipt of any such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed after the effective date of the registration statement through the date of responding to such request;
- (5) to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective;
- (6) that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form; and
- (7) that every prospectus: (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

II-3

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on December 19, 2014.

**CYPRESS SEMICONDUCTOR
CORPORATION**

By: /s/ T.J. Rodgers

Name: T.J. Rodgers

Title: President and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that the person whose signature appears below hereby constitutes and appoints Thad Trent and T. J. Rodgers, and each or any one of them, as the undersigned's true and lawful attorneys-in-fact and agents, with the powers of substitution and revocation, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign any and all amendments (including pre-effective and post-effective amendments or any other registration statement filed pursuant to the provisions of Rule 462(b) under the Securities Act of 1933) to this Registration Statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite or necessary to be done in order to effect the same as fully, to all intents and purposes, as the undersigned might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|----------------------|--|-------------------|
| /s/ T.J. Rodgers | President and Chief Executive Officer | December 19, 2014 |
| T.J. Rodgers | (Principal Executive Officer) and Director | |
| /s/ Thad Trent | Executive Vice President, Finance and Administration, CFO (Principal Financial and Accounting Officer) | December 19, 2014 |
| Thad Trent | | |
| /s/ Eric A. Benhamou | Chairman of the Board of Directors and Director | December 19, 2014 |
| Eric A. Benhamou | | |
| /s/ James R. Long | Director | December 19, 2014 |

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James R. Long

/s/ J. D. Sherman

Director

December 19, 2014

J. D. Sherman

/s/ W. Steve Albrecht

Director

December 19, 2014

W. Steve Albrecht

/s/ Wilbert Van Den Hoek

Director

December 19, 2014

Wilbert Van Den Hoek

/s/ Robert Y. L. Mao

Director

December 19, 2014

Robert Y. L. Mao

Table of Contents

EXHIBIT INDEX

| Exhibit Number | Exhibit Description |
|-----------------------|--|
| 2.1* | Agreement and Plan of Merger and Reorganization, dated as of December 1, 2014, by and among Cypress Semiconductor Corporation, Mustang Acquisition Corporation and Spansion Inc., previously filed (included as Annex A to the joint proxy statement/prospectus forming part of this registration statement) |
| 3(i).1 | Second Restated Certificate of Incorporation of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 10-K filed on March 26, 2001) |
| 3(ii).1 | Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on March 31, 2006) |
| 3(ii).2 | Certificate of Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on May 28, 2009) |
| 3(ii).3 | Certificate of Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on May 18, 2010) |
| 3(ii).4 | Amendment to Amended and Restated Bylaws of Cypress Semiconductor Corporation (included as Exhibit 3.1 to Cypress Semiconductor Corporation's Form 8-K filed on December 1, 2014) |
| 5.1** | Legal opinion of Wilson Sonsini Goodrich & Rosati Professional Corporation |
| 8.1** | Tax opinion of Wilson Sonsini Goodrich & Rosati Professional Corporation |
| 8.2** | Tax opinion of Fenwick & West LLP |
| 23.1** | Consent of Wilson Sonsini Goodrich & Rosati Professional Corporation (included as part of its opinions in Exhibits 5.1 and 8.1) |
| 23.2** | Consent of Fenwick & West LLP (included as part of its opinion in Exhibit 8.2) |
| 23.3* | Consent of PricewaterhouseCoopers LLP |
| 23.4* | Consent of PricewaterhouseCoopers LLP |
| 23.5* | Consent of Ernst & Young ShinNihon LLC, Independent Auditors |
| 24.1 | Power of Attorney (included on signature page to this Registration Statement on Form S-4) |
| 99.1** | Form of Proxy for Cypress Semiconductor Corporation |
| 99.2** | Form of Proxy for Spansion Inc. |
| 99.3* | Opinion of Qatalyst Partners LP, financial advisor to the Cypress (included as Annex B to the joint proxy statement/prospectus forming part of this registration statement) |
| 99.4* | Opinion of Morgan Stanley & Co. LLC, financial advisor to Spansion Inc. (included as Annex C to the joint proxy statement/prospectus forming part of this registration statement) |
| 99.5* | Consent of Qatalyst Partners LP, financial advisor to Cypress |
| 99.6* | Consent of Morgan Stanley & Co. LLC, financial advisor to Spansion, Inc. |

- 99.7* Consent of John H. Kispert.
- 99.8* Consent of Raymond Bingham.

* Filed herewith.

** To be filed by amendment.

Pursuant to Item 601(b)(2) of Regulation S-K, Cypress agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Agreement and Plan of Merger and Reorganization to the Securities and Exchange Commission upon request.