

Semiconductor Climate Consortium Agreement

BACKGROUND

The world is at a critical juncture in the climate crisis and must dramatically reduce greenhouse gas (“GHG”) emissions to keep global warming within 1.5°C. The semiconductor industry and its value chain play a pivotal role in enabling the emerging technologies of the future, including artificial intelligence, 5G/6G networks, and quantum computing, all of which can aid in addressing the climate crisis. The industry can collectively and positively affect society as a whole through the technologies it enables. At the same time, however, its manufacturing processes produce GHG emissions. The industry has made significant progress in reducing emissions, but opportunities remain for better collaboration to address common challenges facing our industry value chain. Through collaboration, transparency, and ambition, the semiconductor industry and its value chain can drive efforts towards addressing climate challenges.

This Consortium Agreement (this “Agreement”) establishes the framework for the Semiconductor Climate Consortium (the “Consortium”) and its members (each, a “Member” or a “Consortium Member”) to collaborate, share data, convene work streams, engage in policy-making, and prepare technical reports, presentations, position papers, and other work product. This Agreement addresses various aspects of the Consortium’s activities, including purpose and principles, management, membership tiers, information-sharing, and antitrust compliance. The Consortium Members will collectively develop the work plans for the Consortium under the framework of this Agreement.

PURPOSE AND PRINCIPLES

Members of the Semiconductor Climate Consortium agree to support and fulfill the terms of the following foundation statement of the Consortium:

“As Members of the Semiconductor Climate Consortium, we recognize the challenge of climate change and the role our industry can play in reducing greenhouse gas (GHG) emissions in our own operations, in our value chains, and in other industries through the technologies we enable.

Members are aligned on the need to drive progressive climate action within our industry, including through support of the Paris Agreement and related accords driving the 1.5°C pathway.

Members are committed to the following objectives:

- Collaboration – Aligning on common approaches to continuously improve and reduce GHG emissions in the semiconductor industry value chain
- Transparency – Publicly reporting progress and Scope 1, 2, & 3 GHG emissions annually according to the guidelines and principles in the GHG Protocol and alignment to key underlying assumptions
- Ambition – Setting near-term and long-term targets in accordance with the best available science, with the aim of reaching Net Zero GHG emissions per the GHG Protocol no later than 2050

As a consortium, we will report our progress at least annually and engage with industry associations, governments, investors, customers, suppliers, and other relevant stakeholders to further our progress, and inspire others to action.”

This Agreement will serve as a basis for voluntary, collaborative efforts among Consortium Members while they work toward meeting the objectives of the foundation statement.

SCOPE OF AGREEMENT

The scope of this Agreement includes the following voluntary climate-related activities:

- Collaboration for common semiconductor value chain climate goals;
- Gathering and vetting technical climate-related information relevant to the semiconductor value chain;
- Development of Industry-related GHG emission measurement methodologies;
- Sponsorship and advocacy of GHG emissions and climate-related policies;
- Sponsorship of engagement opportunities and initiatives;
- Advocacy for solutions to common climate-related challenges facing the industry value chain;
- Advocacy for directing the cutting-edge technologies enabled by the industry towards addressing climate-related risks and opportunities;
- Collaboration on solutions for climate-related challenges facing the industry value chain, or its members; and
- Development of technical reports, presentations, and position papers, as needed.

No Member is required to contribute information or data on specific topics, but the overall quality of the Consortium’s work will be enhanced by Members committing as much as possible to the Consortium’s efforts. Information provided by Members to the Consortium will be aggregated and anonymized by SEMI, and individual Member information will not be disclosed without the permission of the Member submitting it. The submission of information does not limit or modify the intellectual property rights of the Member providing it. Notwithstanding the foregoing, when the Consortium issues reports or presentations, it may disclose the identities of its Members.

This Agreement is meant to be a living document that reflects the continuously evolving needs of the industry and the Consortium Members. The Consortium Members may decide from time to time to amend this Agreement to modify its terms or to expand or update the Consortium’s scope of work.

The Consortium’s ability to carry out its work will depend on the Consortium Members’ timely payment of membership fees and their active participation.

CONSORTIUM MEMBERSHIP AND PARTICIPATION

Membership in the Consortium shall be open to semiconductor device manufacturers, semiconductor equipment manufacturers, semiconductor material suppliers, suppliers, and fabless companies at the discretion of the Governing Council (as defined below).

Further information on membership levels may be found in [Exhibit A](#) hereto.

Members agree to their company name and logo being publicly disclosed as part of the “Consortium Signatory List” as used for Consortium membership marketing and disclosure purposes. The Consortium will not use any Member company names or logos in any publication to represent a Member’s opinion, claims, data, or any representation of a Member’s position on issues. Each company must provide its logo in digital format at the time it becomes a Member and whenever the Member adopts a new logo. Each active Member shall be entitled to use the Consortium’s name and logo in its publications (digital or otherwise). If a Member withdraws from the Consortium, the Member shall remove the Consortium’s name and logo from any future publications and its website.

Each Member shall appoint one or more representatives, each of whom will individually have the authority to act on the Member’s behalf in Consortium matters. For the Consortium to operate effectively, Members agree to participate in Consortium elections, voting matters, and meetings in accordance with their respective membership levels and related rights as described in Exhibit A; to contribute their expertise; and to complete deliverables in a timely manner.

Participation in the Consortium will take place through company representatives serving on the Governing Council, in one or more Working Groups as provided below, or in general meetings of Members, which are to be held no less than four times each year.

Governing Council:

The Governing Council (the “Governing Council”) will act as the governing body for the Consortium, and will consist of seven (7) members, all of whom will be nominated and elected annually by the Leadership Level Members for a term of one calendar year. The Governing Council seats shall be apportioned to the following categories of Leadership Level Members, of which no one company may hold more than one seat:

- 2 Seats – Device makers, IDMs, foundries
- 2 Seats – Capital equipment makers
- 2 Seats – All other semiconductor value chain equipment, suppliers & materials
- 1 Seat – Fabless or at large – may represent any level of the semiconductor value chain

The Consortium Manager shall hold an annual election for all seven seats and manage the nomination process. Names and bios of Governing Council member candidates shall be submitted to the Consortium Manager at least 30 days before the annual election of Governing Council members. The two candidates with the highest number of votes in each of the two-seat categories will be awarded the seats for their category. The Fabless/at large seat will be awarded to a fabless nominee (if there are two or more fabless nominees) with the most votes, or the candidate with the next single highest number of votes if there is only one fabless nominee or none at all.

In the event there are an inadequate number of candidates for any of the two-seat categories, those seats will be converted to “at large” seats to be awarded to the candidate with the highest number of votes received.

The newly elected Governing Council will elect a Chair to oversee the Governing Council schedule, agenda, and accountability for decision-making with SEMI on administrative matters and ensure the Consortium Manager is fulfilling its duties.

The newly elected Governing Council will also elect a Co-Chair to fulfill the Chair responsibilities in the Chair’s absence.

Individual Governing Council members may serve a maximum of two full annual terms of office. For the avoidance of doubt, fulfilling the remainder of a term shall not qualify as a full term when calculating an individual’s term limits.

In the event of a Governing Council member resignation, the company they represented at the time of their election will be allowed to replace them with another company representative to fulfill the remainder of their term. They will have 15 days after notification from the Consortium Manager to fill the vacancy. If the company chooses to not replace the representative, or does not do so within 15 days, a special election shall be held within 30 days to elect a replacement member to fulfill the remainder of the current term. If applicable, the candidates must meet the category requirements for the seat they are seeking to fill. If no candidates from the category are presented, the seat will be designated “at large”.

The Governing Council can pass resolutions with the affirmative vote of at least four (4) Governing Council members voting in person, by proxy, or through written consent.

The Governing Council will retain oversight and development of governance and assurance, as well as input to SEMI on budgetary due diligence with support from a SEMI-provided Consortium Manager.

The Governing Council will report out on research and guidance from the Consortium Manager on regulatory issues, disclosure requirements, and carbon taxes/incentives.

Working Groups:

The Governing Council will collaborate with the Sustainability Advisory Council (SAC) and the Consortium Manager to maintain a number of Working Groups responsible for delivering the recommended direction, reports, proposals, papers, and other work product of the Consortium. The Governing Council may create, change, or eliminate Working Groups upon a majority vote, and an up-to-date list of Working Groups and their goals/objectives will be maintained by the Governing Council and regularly shared with the Consortium Members.

Further information on the initial Working Groups proposed at the time of the Consortium inception are in Exhibit B hereto.

Company representatives who are selected to participate in a Working Group should be knowledgeable about the relevant subject matter and be empowered to speak on behalf of the Member company they represent, participate fully in meetings, respond to information and data requests in a timely manner, and assist with data gathering efforts and report writing. The estimated time requirement for each Consortium Member’s participation in each Working Group is between 2 to 4 hours per week.

CONSORTIUM MANAGEMENT

SEMI will serve as the Consortium Manager with the assistance of one or more professional consulting services and counsel that SEMI may, in its capacity as Consortium Manager, retain and direct to undertake specific activities and carry out certain responsibilities on the Consortium's behalf. These activities and responsibilities may include the following:

- Appointment of a full-time Consortium Manager, who will be nominated by SEMI and approved by the Governing Council. The Consortium Manager will be provided a budget to appoint his or her own staff members, whose names, responsibilities and backgrounds will be notified to the Governing Council at least one week prior to their respective appointments to allow the Governing Council to raise any objections or concerns.
- Coordinating activities of the Consortium, such as conference calls, and keeping and sharing meeting minutes and related materials
- Working with Members to develop an appropriate schedule of tasks, which Members may agree to modify from time to time, to be completed by the Consortium
- Sharing draft and final reports with Members
- Reviewing and submitting final outputs, including technical reports, presentations, position papers, and other work product
- Managing and tracking Consortium financials, fees, budget, and expenses on behalf of SEMI. The Governing Council may raise to the Consortium Manager for discussion any budgetary concerns that could impact the deliverables and aspirations of the Consortium, and the Consortium Manager will notify the Governing Council of any financial concerns.
- Provide technical resources for communications, document repositories, and other coordination or collaboration resources as agreed between the Consortium Manager and the Governing Council. All material public communications related to the Consortium or any of its work streams must be provided to the Governing Council for review at least 48 hours before publication.
- SEMI shall own all of the outputs of the Consortium, including technical reports, presentations, position papers, and other work product. Any and all use of such outputs shall be governed by the Consortium Manager in consultation with the Governing Council.

CONFIDENTIALITY

Information and data developed by the Consortium shall remain confidential, and be marked "Semiconductor Climate Consortium – Confidential", unless approved for release by the Governing Council. Consortium Members shall not disclose findings, documents, data, or other information of any Consortium work product without the prior approval of the Governing Council, and Members shall comply with the terms of SEMI's standard Nondisclosure Agreement.

Members who share existing and newly generated confidential business or other information with the Consortium shall, to the extent practicable, clearly mark the information as "confidential business information", "confidential information", "proprietary information", or the like, before sharing it. For confidential business information not in tangible form or that cannot otherwise practicably be marked with a "confidential" designation, Members shall, before or concurrently with sharing the confidential information, advise Member recipients of the information's confidential status. Any information shall be deemed to be provided "as is". Unless otherwise stated in writing, no license or rights are granted to other

Members with respect to confidential information provided to the Consortium and all intellectual property rights relating to such confidential information remain with the provider of the information. Consortium Members agree to take appropriate measures to maintain and preserve as confidential, and to keep secure, any confidential business information they receive from other Members. Members agree, however, that confidential business information does not include information that (a) is in the public domain (e.g., is accessible through public databases or from the internet) through no fault of a Member receiving the confidential business information; (b) appears in published literature (e.g., in scholarly publications, or in a patent application that has been granted and made available for public inspection); or (c) has been shared by the Member asserting the claim of confidentiality with one or more other entities who have not kept the information confidential or who were not obligated to keep the information confidential.

NEW MEMBERS

After the initial founding of the Consortium, other entities may join the Consortium upon approval of the Governing Council and subject to the terms of this Agreement, including the requirements set forth in the section entitled “Consortium Membership and Participation” above.

WITHDRAWAL AND DEFAULT OF MEMBERS

- A. **Withdrawal.** A Member may withdraw at any time but shall not be entitled to receive a refund of any previously paid membership dues.
- B. **Default.** The Consortium Manager shall notify a Member in writing when that Member is in breach of this Agreement by the Member’s failure to do any of the following:
 - a. Timely meet its financial obligations under this Agreement. If the Member fails to respond to the notice and remedy the breach within sixty (60) days of receipt of the notice, or the Consortium Manager subsequently learns the Member has entered liquidation or is determined through a judicial or administrative action to be unable to pay its debts, or the Member terminates its membership, that Member shall be considered to be in default.
 - b. Fulfill the Transparency and Ambition statements of the Consortium’s foundation statement as set forth above.
 - c. Otherwise adhere to terms of this Agreement.

A defaulting Member loses its qualification as a Member and forfeits any and all rights under this Agreement (however the obligations with respect to confidentiality and antitrust remain in effect). The Consortium will remove all references to the defaulting Member from the Consortium Signatory List and all future publications containing a list of Members, and will no longer use the logo and name of the former Member.

CONSORTIUM DISSOLUTION

This Agreement may be terminated at any time by a two-thirds vote of the Governing Council. Upon the conclusion of this Agreement, the Consortium Manager will:

- Prepare a final Consortium financial balance sheet;

- Prepare a list of outputs of the Consortium, including technical reports, presentations, position papers, and other work product, which are owned by SEMI and previously approved, or pending approval, by the Governing Council;
- Identify Consortium information that is considered confidential (“Identified Information”) and retain such information with other pertinent Consortium records for a period of two (2) years. Promptly after that two-year period, the Consortium Manager shall destroy Identified Information.

The Governing Council and the Consortium Manager, through direction from the SEMI board and management, will draft a dissolution plan that adequately addresses the handling of the relevant information provided by the Consortium Manager.

ANTITRUST COMPLIANCE

The work of the Consortium is focused on sharing information and the joint development of proposals and solutions related to addressing the climate crisis. Each Member is committed to fostering competition in the development of new products and services. Each Member acknowledges that it may compete with other Members in various lines of business and that it is therefore imperative that they and their representatives are familiar with applicable antitrust and competition laws and act in a manner that does not violate any applicable state, federal or international antitrust laws or regulations. Accordingly, each Member assumes responsibility for providing appropriate legal counsel to its representatives regarding the importance of limiting the scope of their discussions to the topics that relate to the purposes of the Consortium, whether or not such discussions take place during formal meetings, informal gatherings, or otherwise. Each Member further acknowledges that it and each other Member is free to develop competing products and services.

ETHICS

All Members and their representatives will be required to comply with the highest standards of ethical and mutually respectful conduct and behavior when interacting and dealing with other Members and the Consortium as described in SEMI’s Code of Conduct. Failure to act accordingly could result, at the discretion of the Consortium Manager and the Governing Council, in dismissal from the Consortium.

If any Member has any concerns regarding suspected breach of ethics under this Agreement, including with respect to the treatment of confidential information, the Member should confidentially report its concerns to the Consortium Manager. Whenever the Consortium Manager receives a confidential report of this kind, the Consortium Manager will maintain the report’s confidentiality and generate an anonymized summary of the report for the Governing Council and SEMI’s Legal Advisor to consider for potential further action. For the avoidance of doubt, this Agreement shall not prevent a Member from seeking and obtaining injunctive relief for any breach or threatened breach of confidentiality by another Member that impacts the affected Member’s confidential information or otherwise infringes upon or is likely to infringe upon any Member’s legal rights and remedies to protect its confidential information.

ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement. This Agreement may be amended only upon written consent of a majority of Members.

NO PARTNERSHIP FORMED

This Agreement does not constitute an agreement to form a partnership, joint venture, or agency relationship between or among the Members. The Members do not have the right to obligate or bind any other Members, and nothing in the Agreement is intended to give any rights of any kind to any third persons.

[Signature Page Follows]

Semiconductor Climate Consortium Agreement

ACCEPTED FOR:

Member Company

Membership Level (indicate which level – Leadership Level Member or Participant Level Member)

Address

Address

Signature of Authorized Representative

Printed Name

Title

Date

EXHIBIT A

Membership Levels

Two levels of Membership are available. Each level has its own specific rights, as set forth below.

- Leadership Level Member
 - Eligible to vote for Governing Council members
 - Eligible to serve on the Governing Council
 - Eligible to participate in and chair Working Groups
 - Eligible to attend General Meetings
 - Priority access to thought-leadership and lobbying engagements
 - Access to all Member resources, reports and shared information

- Participant Level Member
 - Eligible to participate in Working Groups, but not eligible to chair such groups
 - Eligible to attend General Meetings
 - Access to all Member resources, reports and shared information

Founding Member Status – Both Leadership and Participant Level Members that join in the initial round of membership formation will be granted permission to use the designated “Founding Member” status and logo, provided the Member remains in good standing (see “Withdrawal and Default of Members” in the Consortium Agreement).

EXHIBIT B

Working Groups

At the time of this Agreement, the initial Working Group and projected activities include the following. The initial Governing Council will be required to ratify the Working Group designations and objectives:

- Climate Impact and Tools
 - Climate Related Risks on Semiconductor/Value Chain
 - Identify opportunities to continuously improve and reduce GHG emissions in the semiconductor industry value chain
 - Business analytics for better decision making
- Reporting Standards
 - Provide simplified guidelines for Scope 1, 2, and 3 reporting to encourage transparency in the value chain
 - Provide market intelligence to stay aligned with disclosure requirements
- Technical Work Stream
 - Demystifying Scope 3 calculations and reports
 - Scope 1 – Low GWPs across the Value Chain
 - S3 Start-ups and Innovation
- Outreach – NGO, Cross Industry Engagement, Community
 - Dedicated SEMI resource (FTE) managing this with member engagement
 - Support the ESG journey in our value chain
 - How far to engage and influence, are we mobilizing the ESG journey?
 - Partner with NGOs, local and global communities, promote Climate Equity