# Form **8937**(December 2011) Department of the Treasury Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part I Reporting I	ssuer				•		
1 Issuer's name					2 Issuer's employer identification number (EIN)		
Spansion LLC	Prince of the Comment of		65-1180482				
3 Name of contact for additional information 4 Telephone No. of contact					5 Email address of contact		
Investor Relations		408-943-2600		investorrelations@cypress.com			
6 Number and street (or P.O. box if mail is not delivered to street address) of contact					7 City, town, or post office, state, and Zip code of contact		
198 Champion Ct.					San Jose, CA 95134		
8 Date of action		9 Class	sification and description	n			
Manala 00, 0017		C	- I I O 20/ Freely are an al-	ala Camban N	lates Due 2000		
March 28, 2017 Spansion LLC 2% Exchangeable Senion USIP number 11 Serial number(s) 12 Ticker symbol					13 Account number(s)		
10 Occil Hamber	TT Condition	9)	12 Hoker Symbol		10 / loodant hambor(o)		
84649PAL9	n/a		CY		n/a		
		ch additional		d. See bac	k of form for additional questions.		
14 Describe the organization	tional action and, if a	applicable, the	date of the action or the	ne date agair	nst which shareholders' ownership is measured for		
the action ► SEE AT	TACHED FORM 89	37 APPENDIX	( A				
45 5 3 4 4 4 4							
					ne hands of a U.S. taxpayer as an adjustment per		
Share of as a percenta	ige of old basis $\triangleright \underline{S}$	EE ATTACHE	D FORM 8937 APPEN	DIX A			
				calculation, s	such as the market values of securities and the		
valuation dates ► SEE	ATTACHED FORM	1 8937 APPEN	NDIX A				

Part		Organizational Action (conti	inued)		, <u> </u>
17 L	iet tha	applicable Internal Revenue Code s	section(s) and subsection(s) upon	which the tay treatment is hased	
		HED FORM 8937 APPENDIX A	section(s) and subsection(s) upon	willer the tax treatment is based	
<b>18</b> C	an anv	y resulting loss be recognized? ► §	SEE ATTACHED FORM 8937 AP	PENDIX A	
40 5			Constant of the conflict of the conflict of	He a second about a second	
		any other information necessary to HED FORM 8937 APPENDIX A	implement the adjustment, such a	as the reportable tax year ►	
JLL A	ITACI	ILD I OKW 0737 ALT ENDIX A			
	Linde	er penalties of perjury, I declare that I ha	ve examined this return, including acc	omnanying schedules and statements	and to the hest of my knowledge, and
	belief	f, it is true, correct, and complete. Declar	ration of preparer (other than officer) is	based on all information of which prep	parer has any knowledge.
Sign					
Here	Signa	ature ▶		Date ▶	
	Print	your name ► Neil H. Weiss  Print/Type preparer's name	Preparer's signature	Title ► SVP & T	- PTIN
Paid		Time Type proparer straine			Check if self-employed
Preparent of the Prepar		Firm's name			Firm's EIN ▶
	Jilly	Firm's address ▶			Phone no.
Send F	orm 89	937 (including accompanying staten	nents) to: Department of the Treas	sury, Internal Revenue Service, Og	gden, UT 84201-0054

#### Form 8937 Appendix A

Issuer's Name: Spansion LLC

(Cypress Semiconductor Corporation as the successor in interest)

**FEIN:** 65-1180482

**CUSIP Number:** 84649PAL9

**Line 14.** On February 21, 2017, Cypress Semiconductor Corporation's (referred to as "CY" hereafter) board of directors declared a cash dividend payment of \$0.11 per share of CY's common stock with a record date of March 30, 2017 to be paid on April 20, 2017. Section 10.04(d) of the Indenture for the Spansion LLC 2% Exchangeable Senior Notes Due 2020 (referred to as "Notes" hereafter) provides for an increase in the Exchange Rate in connection with this dividend.

**Line 15.** Section 10.04(d) of the Indenture for the Notes provides for an increase in the exchange rate in connection with the dividend mentioned above on the Ex-Dividend Date, March 28, 2017.

#### Exchange Rate Adjustment Calculation Illustration:

 $ER_1 = ER_0 x (SP_0 / (SP_0 - C))$ 

ER<sub>0</sub> = the Exchange Rate in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution

ER<sub>1</sub> = the Exchange Rate in effect immediately after the open of business on the Ex-Dividend Date for such dividend or distribution

SP<sub>0</sub>= the average Closing Sale Price of the Company Common Stock for the ten consecutive Trading Days immediately preceding, but excluding, the Ex-Dividend Date for such dividend or distribution

C = the amount in cash per share CY distributes to holders of its Common Stock

Pursuant to IRC Section 305(c), the Exchange Rate Adjustment results in a deemed distribution to the holders of the Spansion LLC 2% Exchangeable Senior Notes Due 2020. The amount included in income increases the tax basis of the respective Notes.

### Deemed Distribution Calculation Illustration:

Deemed Distribution =  $(ER_1 - ER_0) \times SP_0$ 

**Line 16.** The Exchange Rate relating to the Notes, previously equal to 192.1167 shares of Common Stock per \$1,000 principal amount of Notes, was increased to 193.6279 shares of Common Stock per \$1,000 principal amount of Notes as a result of the cash dividend paid on April 20, 2017 by CY to its common shareholders.

The above Exchange Rate increase resulted in a deemed distribution of \$21.30 per \$1,000 principal amount of Notes to the holders of the Notes and a corresponding increase in the holders' tax basis in the Notes.

## Detailed Calculation:

$$ER_1 = ER_0 \times (SP_0 / (SP_0 - C)) = 192.1167 \times (\$14.0940 / (\$14.0940 - \$0.11)) = 193.6279$$
  
Deemed Distribution =  $(193.6279 - 192.1167) \times \$14.0940 = \$21.30$ 

 $ER_0 = 192.1167$ 

 $ER_1 = 193.6279$ 

 $SP_0 = 14.0940$ 

C = \$0.11