

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

MARVELL TECHNOLOGY GROUP LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

77-0481679
(I.R.S. Employer
Identification No.)

4th Floor
Windsor Place
22 Queen Street
P.O. Box HM 1179
Hamilton HM EX
Bermuda
(Address of principal executive offices
and telephone number)

Options Issued by Marvell Technology Group Ltd. to
Optionholders of SysKonnnect GmbH
(Full title of the plan)

MATTHEW GLOSS
Vice President of Business Affairs
and General Counsel
Marvell Semiconductor, Inc.
700 First Street
Sunnyvale, CA 94089
(408) 222-2500
(Name, address and telephone
number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, par value \$0.002 per share: To be issued under stock option grants to certain employees	215,000	\$24.22	\$5,207,300	\$480

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- (1) Pursuant to Rule 416(a) of the Securities Act of 1933 this Registration Statement also covers shares issued pursuant to antidilution provisions set forth in the option agreements.
- (2) Estimated pursuant to Rule 457(h) under the Securities Act of 1933 solely for the purpose of calculating the registration fee. The price of the shares is based on the exercise price of the options being registered hereunder.
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The Registration Statement shall become effective upon filing in accordance with Rule 462 under the Securities Act of 1933.

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Marvell Technology Group Ltd., or the Registrant, acquired all of the issued and outstanding capital stock of SysKonnnect GmbH, or SysKonnnect, pursuant to a Share Purchase Agreement, among the Registrant, SysKonnnect and the sole shareholder of SysKonnnect. The shares to be registered hereunder are issuable pursuant to options granted by the Registrant to former optionholders of SysKonnnect.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.*

Item 2. Registrant Information and Employee Plan Annual Information.*

* Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the “Securities Act”), and the Note to Part I of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Registrant with the Securities and Exchange Commission are hereby incorporated by reference in this Registration Statement:

- (a) Registrant’s Annual Report on Form 10-K (File No. 0-30877) for the fiscal year ended February 2, 2002;
- (b) Registrant’s Quarterly Report on Form 10-Q for the quarter ended May 4, 2002;
- (c) Registrant’s Current Report on Form 8-K dated May 23, 2002;
- (d) Registrant’s Current Report on Form 8-K dated June 24, 2002; and
- (e) The description of Registrant’s Common Stock contained in Registrant’s registration statement on Form 8-A, filed June 22, 2000.

In addition, all documents subsequently filed by Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Set forth below is a description of certain provisions of the Companies Act of 1981 of Bermuda (the “Companies Act”), the Company’s Memorandum of Association, as presently in effect (the “Memorandum of Association”), and the Company’s Bye-laws (the “Bye-laws”), as such provisions relate to the indemnification of the

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directors and officers of the Company. This description is intended only as a summary and is qualified in its entirety by reference to the applicable provisions of the Companies Act, the Company's Memorandum of Association and the Company's Bye-laws, which are incorporated herein by reference.

The Companies Act permits the Company to indemnify its directors or officers in their capacity as such in respect of any loss arising or liability attaching to them by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to the Company other than in respect of his own fraud or dishonesty.

The Bye-laws provide that every director, officer, committee member and any resident representative of the Company be indemnified against any liabilities, loss, damage or expense incurred or suffered in such capacity, subject to limitations imposed in the Companies Act. The Bye-laws further provide that to the extent that any director, officer, committee member or resident representative of the Company is successful in defending any proceedings, whether civil or criminal, the Company will indemnify the individual for all liabilities incurred in such capacity.

Bye-law 31 stipulates that each shareholder and the Company agree to waive any claim or right of action against any director, officer or committee member, in respect of any failure to act or any action taken by such director, officer or committee member in the performance of his duties with or for the Company. The waiver does not extend to claims arising under United States federal securities laws or any claims, rights of action arising from the fraud of the director, officer, committee member or to recover any gain, personal profit or advantage to which such individual is not legally entitled.

There has not been in the past and there is not presently pending any litigation or proceeding involving a director, officer, employee or agent of the Company which could give rise to an indemnification obligation on the part of the Company. In addition, except as described herein, the Board of Directors is not aware of any threatened litigation or proceeding which may result in a claim for indemnification.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Number	Exhibit
5.1	Opinion of Appleby Spurling & Kempe.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.
23.2	Consent of Appleby Spurling & Kempe (included in Exhibit 5.1)
24.1	Powers of Attorney (see page 5)
99.1	Marvell Share Sale and Purchase Form Agreement.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement 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.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, 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. In the event that a claim for 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 the 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Sunnyvale, State of California, on the 24th day of June, 2002.

MARVELL TECHNOLOGY GROUP LTD

By /s/ Sehat Sutardja

Sehat Sutardja
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, the undersigned, the duly authorized representative of the Registrant in the United States, has signed this Registration Statement in the City of Sunnyvale, State of California, on the 24th day of June, 2002.

/s/ Sehat Sutardja

Sehat Sutardja
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Sehat Sutardja and George Hervey, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, to this Registration Statement, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes 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 below by the following persons in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Sehat Sutardja</u>	Co-Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	June 24, 2002
Sehat Sutardja		
<u>/s/ George Hervey</u>	Vice President of Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	June 24, 2002
George Hervey		
<u>/s/ Diosdado P. Banatao</u>	Co-Chairman of the Board	June 24, 2002
Diosdado P. Banatao		
<u>/s/ Manuel Alba</u>	Director	June 24, 2002
Manuel Alba		
<u>/s/ Weili Dai</u>	Director	June 24, 2002
Weili Dai		

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Name	Title	Date
/s/ Herbert Chang	Director	June 24, 2002
Herbert Chang		
/s/ John M. Cioffi	Director	June 24, 2002
John M. Cioffi		
/s/ Paul R. Gray	Director	June 24, 2002
Paul R. Gray		
/s/ Pantas Sutardja	Director	June 24, 2002
Pantas Sutardja		
/s/ Ronald D. Verdoorn	Director	June 24, 2002
Ronald D. Verdoorn		

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23.2	Consent of Appleby Spurling & Kempe (included in Exhibit 5.1)
24.1	Powers of Attorney (see page 5)
99.1	Marvell Share Sale and Purchase Form Agreement.

[Appleby Spurling & Kempe Letterhead]

JMVS/124194.04
Direct Telephone:(441) 298 3240
Direct e-mail: jvirgil@ask.bm

J Virgil Smith
ASSOCIATE

24 June 2002

Marvell Technology Group Ltd.
4th Floor, Windsor Place
22 Queen Street
P.O. Box HM 1179
Hamilton HM EX, Bermuda

Dear Sirs:

MARVELL TECHNOLOGY GROUP LTD.

We have acted as special legal counsel in Bermuda to Marvell Technology Group Ltd., a Bermuda company (the "Company") in connection with its filing with the United States Securities and Exchange Commission of a Registration Statement on Form S-8 (the "Registration Statement") with respect to 215,000 shares of the Company's common shares of par value US\$0.002 per share (the "Common Shares") to be issued pursuant to the terms of the share sale and purchase agreements between the Company and certain former employees of SysKonnnect GmbH, a wholly owned subsidiary of the Company (the "Option Agreements").

For the purposes of this opinion we have examined and relied upon the documents listed, and in some cases defined, in the Schedule to this opinion (the "Documents") together with such other documentation as we have considered requisite to this opinion.

ASSUMPTIONS

In stating our opinion we have assumed:

- a) the authenticity, accuracy and completeness of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, notarised or photostatic copies;
- b) the genuineness of all signatures on the Documents;
- c) that each of the Documents and other such documentation which was received by electronic means is complete, intact and in conformity with the transmission as sent;

- d) that there are no provisions of the laws or regulations of any jurisdiction other than Bermuda which would have a material effect on any of the opinions herein expressed;
- e) that all representations and factual statements appearing in the Registration Statement, the Option Agreements and the Resolutions are true, accurate and complete in all material respects;
- f) that the Resolutions are in full force and effect and have not been rescinded, either in whole or in part, and accurately record the resolutions passed by the Board of Directors in a meeting which was duly convened and at which a duly constituted quorum was present and voting throughout and that there is no matter affecting the authority of the Directors to bring about the issue of the Common Shares by the Company under the terms of the Option Agreements, not disclosed by the Constitutional Documents or the Resolutions, which would have any adverse implication in relation to the opinions expressed herein;
- g) that the Option Agreements will constitute the legal, valid and binding obligations of the parties thereto, other than the Company;
- h) that each Director of the Company, when the Board of Directors of the Company passed the Resolutions, discharged his fiduciary duty owed to the Company and acted honestly and in good faith with a view to the best interests of the Company;
- i) that the Company has entered into its obligations under the Option Agreements in good faith for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing that the transactions contemplated in the respective Option Agreements would benefit the Company;
- j) that at the time of issue by the Stock Option Committee of the Board of Directors (the "Committee") of any Common Shares pursuant to the Option Agreements, such Committee was duly constituted and at the date hereof remains a duly constituted committee of the Board of Directors of the Company having the necessary powers and authorities to issue the Common Shares pursuant to the Option Agreements;
- k) that the approval of the issue of any Common Shares under the Option Agreements will be duly made either at a duly convened and quorate meeting of the Board of Directors of the Company, or at a duly convened and quorate meeting of the Committee in a manner complying with the terms of the Bye-laws of the Company then in force and within the authority then given to the Committee by the Board of Directors of the Company;
- l) that when the issue of any Common Shares under Option Agreements is authorised, the issue price will not be less than the par value of the Common

Shares and that the Company will have sufficient authorised share capital to effect such issue and will continue to hold the necessary consent from the Bermuda Monetary Authority for such share issue;

- m) that in any case where Common Shares are issued by the Company pursuant to the Option Agreements on terms that do not require the allottee to pay to the Company a cash subscription price for such Common Shares, the Company will receive prior to the allotment of shares a transfer to it of assets from the allottee with a fair value at least equivalent to the aggregate par value of the Shares issued to him pursuant to the Option Agreements;
- n) that when filed with the Securities and Exchange Commission, the Registration Statement will not differ in any material respect from the draft referred to in paragraph 1 of the Schedule;
- o) that the records which were the subject of the Company Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Company Search been materially altered; and
- p) that the records which were the subject of the Litigation Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Litigation Search been materially altered.

OPINION

Based upon and subject to the foregoing and subject to the reservations set out below and to any matters not disclosed to us, we are of the opinion that when issued and allotted by the Board of Directors of the Company or by the Committee pursuant to the Resolutions and Option Agreements and when fully paid for pursuant to and in accordance with the terms and conditions of the Option Agreements, as contemplated by the Option Agreements, the Common Shares will be validly issued, fully-paid and non-assessable shares in the capital of the Company.

RESERVATIONS

We have the following reservations:

- (a) We express no opinion as to any law other than Bermuda law and none of the opinions expressed herein relates to compliance with or matters governed by the laws of any jurisdiction except Bermuda. This opinion is limited to Bermuda law as applied by the courts of Bermuda at the date hereof.
- (b) Any reference in this opinion to Common Shares being "non-assessable" shall mean, in relation to fully paid shares of the Company and subject to any

contrary provision in any agreement in writing between the Company and the holder of such Common Shares, that no shareholder shall be bound by an alteration to the Memorandum of Association or Bye-laws of the Company after the date on which he became a shareholder, if and so far as the alteration requires him to take, or subscribe for additional shares, or in any way increases his liability to contribute to the share capital of, or otherwise to pay money to, the Company.

- (c) Searches of the Register of Companies at the office of the Registrar of Companies are not conclusive and it should be noted that the Register of Companies does not reveal:
- (i) details of matters which have been lodged for filing or registration which as a matter of general practice of the Registrar of Companies would have or should have been disclosed on the public file but have not actually been registered or to the extent that they have been registered have not been disclosed or do not appear in the public records at the date and time the search is concluded; or
 - (ii) details of matters which should have been lodged for registration but have not been lodged for registration at the date the search is concluded.
- (d) In order to issue this opinion we have carried out the Searches as referred to in paragraphs 4 and 5 of the Schedule and have not enquired as to whether there has been any change since the date of the Searches.
- (e) We have relied upon the statements made in the Officers Certificate referred to in paragraph 9 of the Schedule. We have made no independent verification of the matters referred to in the certificate and we qualify this opinion to the extent that the statements made in the certificate are not accurate in any respect.

DISCLOSURE

This opinion is addressed to you in connection with the registration of the Common Shares with the Securities and Exchange Commission. Further, this opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review or update this opinion if applicable law or the existing facts or circumstances should change. We hereby consent to the inclusion of the opinion as an exhibit to the Registration Statement.

This opinion is governed by and is to be construed in accordance with Bermuda law. It is given on the basis that it will not give rise to any legal proceedings with respect thereto in any jurisdiction other than Bermuda.

Yours faithfully

/s/ APPLEBY SPURLING & KEMPE

SCHEDULE

1. An electronic copy of the draft of the Registration Statement received from Marvell Semiconductor, Inc. on 18 June 2002 (excluding the exhibits and excluding the documents incorporated by reference).
2. An electronic copy of draft 4 of the Marvell Share Sale and Purchase Form Agreement received from Marvell Semiconductor, Inc. on 21 June 2002.
3. Certified copy of the Minutes of the meeting of the Board of Directors of the Company held on 12 June 2002 (the "Resolutions").
4. The entries and filings shown in respect of the Company on the file of the Company maintained in the Register of Companies at the office of the Registrar of Companies in Hamilton, Bermuda, as revealed by a search done on 24 June 2002 (the "Company Search");
5. The entries and filings shown in respect of the Company in the Supreme Court Causes Book maintained at the Registry of the Supreme Court in Hamilton, Bermuda, as revealed by a search done on 24 June 2002 (the "Litigation Search");

(The Company Search and the Litigation Search are collectively referred to as the "Searches")
6. Copies of the Certificate of Incorporation, Memorandum of Association and Bye-laws of the Company incorporating all amendments to 21 June 2001 (collectively referred to as the "Constitutional Documents");
7. A copy of the permissions dated 31 May 2000 given by the Bermuda Monetary Authority under the Exchange Control Act (1972) and related regulations for the issue of shares in the capital of the Company;
8. A Certificate of Compliance dated 13 March 2002 issued by the Ministry of Finance in respect of the Company; and
9. A fax copy of an Officer's Certificate dated 21 June 2002 and signed by George A. Hervey as Vice President of Finance and Chief Financial Officer of the Company confirming the authorised and issued share capital of the Company as at that date.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated February 27, 2002 relating to the consolidated financial statements of Marvell Technology Group Ltd., which appears in Marvell Technology Group Ltd.'s Annual Report on Form 10-K for the year ended February 2, 2002.

/s/ PRICEWATERHOUSECOOPERS LLP

San Jose, California
June 24, 2002

NOTICE OF GRANT OF STOCK OPTIONS
PURSUANT TO MARVELL SHARE
SALE AND PURCHASE FORM AGREEMENT

MARVELL TECHNOLOGY GROUP, LTD.
Richmond House, 3rd
12 Par la Ville Road
Hamilton, HM DX, Bermuda

EMPLOYEE NAME
[ADDRESS]

OPTION NUMBER: 00000XXX

Effective 06/__/2002, you have been granted a stock option to buy ____ shares of Marvell Technology Group, Ltd. (the Company) stock at \$_____ per share.

The total option price of the shares granted is \$_____. The option price is payable solely by delivery of your option for shares in SysKconnect GmbH held pursuant to a Notarial Deed Agreement, as described in the Marvell Share Sale and Purchase Form Agreement.

The option will become vested and exercisable in accordance with the schedule in Section 2 of the Marvell Share Sale and Purchase Form Agreement.

The term of the option expires on June __, 2012.

By your signature and the Company's signature below, you and the Company agree that these options are granted under and governed by the terms and conditions of the Marvell Share Sale and Purchase Form Agreement, which is attached and made a part of this document.

Marvell Technology Group, Ltd.

Date

Employee Name

Date

MARVELL SHARE SALE AND PURCHASE FORM AGREEMENT

1. Grant of Option. Marvel Technology Group Ltd. (the "COMPANY") hereby grants to the optionee named in the attached Notice of Grant (the "OPTIONEE"), an Option to purchase the shares of Common Stock of the Company ("SHARES") set forth in the Notice of Grant, subject to the terms, definitions and provisions of this Agreement. The exercise price per Share (the "EXERCISE PRICE") shall be as set forth in the Notice of Grant, which shall be payable solely by delivery by the Optionee of the option for shares in SysKonnct GmbH held by the Optionee pursuant to a Notarial Deed Agreement dated June __, 2002 (the "SYSKONNECT OPTION"), which option shall be deemed to have a fixed value equal to the Exercise Price. The Optionee acknowledges that the SysKonnct Option may not be exercised but may only be tendered in payment of the Exercise Price for shares pursuant to this Agreement.

This Option is granted in consideration of services to be provided by the Optionee as an employee or consultant to the Company or its direct or indirect subsidiary ("Service"). The Option is not intended to qualify as an Incentive Stock Option as defined in Section 422 of the U.S. Internal Revenue Code of 1986, as amended.

2. Exercise of Option. This Option cannot be exercised until the Option and the corresponding Shares vest. The Option and Shares vest with respect to twenty-five percent of the Option on the date of grant, and with respect to 1/48 of the Option on the last day of each month beginning after the one-year anniversary of the date of grant for 36 months.

(i) Right to Exercise.

(a) This Option may not be exercised for a fraction of a Share.

(b) In the event of Optionee's death, disability or other termination of Optionee's continuous service, the exercisability of this Option shall be governed by Sections 5, 6 and 7 below.

(c) In no event may this Option be exercised after the date of expiration of the term of this Option as set forth in the Notice of Grant ("EXPIRATION DATE").

(ii) Method of Exercise.

(a) This Option shall be exercisable by written notice (in the form attached as Exhibit A) which shall state the election to exercise this Option, the number of Shares in respect of which this Option is being exercised, and such other representations and agreements as may reasonably be required by the Company. Such written notice shall be signed by Optionee and shall be delivered in person or by certified mail to the Secretary of the Company. The written notice shall be accompanied by payment of the aggregate Exercise Price for the number of Shares in respect of which the Option is being exercised. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the aggregate Exercise Price for the number of Shares in respect of which the Option is being exercised.

(b) No Shares will be issued pursuant to the exercise of an Option unless such issuance and such exercise shall comply with all relevant provisions of law and the requirements of

any stock exchange or interdealer quotation system upon which the Shares may then be listed or traded.

(c) If this Option is being exercised by the representative of the Optionee, the exercise notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this Option.

3. Payment.

(a) Payment of the Exercise Price for the Shares as to which this Option is exercised, shall be by delivery of all or a portion of the SysKonnnect Option, which shall be deemed to have an aggregate value equal to the aggregate Exercise Price of the Shares.

(b) Neither the Optionee nor the Optionee's representative shall have any rights as a shareholder with respect to any Shares subject to this Option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the aggregate Exercise Price pursuant to Section 2(ii) and Section 3(a).

4. Restrictions on Exercise. This Option may not be exercised if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 207 of Title 12 of the Code of Federal Regulations ("Regulation G") as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by any applicable law or regulation. This Option may not be exercised prior to the effective date of a registration statement on Form S-8 filed by the Company with respect to the Shares subject to the Option.

5. Termination of Relationship. In the event an Optionee's Service terminates, Optionee may, to the extent this Option was vested at the date of such termination (the "Termination Date"), exercise this Option at any time during the 30 day period immediately following the Termination Date. To the extent that Optionee was not vested in this Option at the date of such termination, or if Optionee does not exercise this Option within the time specified herein, this Option shall terminate. Notwithstanding the foregoing, in no event shall any Option be exercisable later than the Expiration Date.

6. Disability of Optionee. Notwithstanding the provisions of Section 5 above, in the event of termination of an Optionee's Service as a result of his or her disability, Optionee may, but only within the 180 day period (or such other period of time in excess of 180 days as is determined by the Administrator in its absolute discretion) immediately following the date of such termination, exercise this Option to the extent this Option was vested at the date of such termination. To the extent that Optionee was not vested in this Option at the date of termination, or if Optionee does not exercise this Option within the time specified herein, this Option shall terminate, and the Shares covered by this Option shall revert to the Plan. Notwithstanding the foregoing, in no event shall any Option be exercisable later than the Expiration Date.

7. Death of Optionee. Notwithstanding the provisions of Section 5 above, in the event of termination of Optionee's Service as a result of the death of Optionee, this Option may be exercised at any time within the 360 day period immediately following the date of death, by Optionee's estate or by a person who acquired the right to exercise this Option by bequest or inheritance, but only to the extent Optionee could exercise this Option at the date of death. Notwithstanding the foregoing, in no event shall any Option be exercisable later than the Expiration Date. To the extent that Optionee is not vested in this Option at the date of death, or if this Option is not exercised within the time specified herein, this Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

8. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

9. Term of Option; Termination of SysKconnect Option. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the terms of this Option Agreement. All expiration periods set forth in this Agreement shall terminate at 5:00 p.m. California time on the date provided in this Agreement. Upon exercise or termination of this Option, the SysKconnect Option shall terminate and thereafter shall have no value.

10. Tax Consequences. Optionee acknowledges that he or she has read the description of tax consequences in the 10(a) Prospectus and has consulted his or her personal tax advisor regarding the same to the extent he or she has determined advisable. Optionee is not relying on the Company, or any of its officers, directors, employees or advisors, for any tax advice or planning information whatsoever. Set forth below is a brief summary as of the date of this Option of some of the German and U.S. Federal tax consequences of exercise of this Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE (FOR EXAMPLE, IT DOES NOT INCLUDE STATE INCOME TAXES), AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

For U.S. taxpayers:

(i) Grant of Option. The U.S. Internal Revenue Service may treat the grant of the Option as a grant of the underlying Shares as a result of the discounted exercise price. Accordingly, the Optionee will likely be subject to U.S. Federal income tax when the Option and Shares vest, whether or not the Optionee exercises the Option. The Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the Fair Market Value of the Shares (minus the Exercise Price) on the respective vesting dates. If Optionee is an employee or a former employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of vesting.

If the Optionee files an election under Section 83(b) of the Code within 30 days following the date of grant of the Option, the Optionee will be treated as having received compensation income on the date of Option grant, in an amount equal to the Fair Market Value of the Shares (minus the Exercise Price) on the date of grant. However, if the Optionee forfeits the Option upon termination of service, the Optionee would not be entitled to an offsetting deduction for the income recognized pursuant to the Section 83(b) election. The Optionee should consult with a tax advisor before making a Section 83(b) election.

(iv) Disposition of Shares. If Shares are held for at least one year from the date on which they were included in the Optionee's income for Federal income tax purposes (that is, the date of vesting or, if a Section 83(b) election was made, the date of Option grant), any gain realized on disposition of the Shares will be treated as long-term capital gain for Federal income tax purposes.

For German taxpayers:

The following information is of a general nature only. It is not designed to provide individual tax advice and should not be relied upon by individuals for purposes of their own tax planning or compliance. It is recommended that individuals seek their own tax advice from tax consultants or other specialists on the tax consequences of this stock option plan.

(i) Grant of Option. The grant of an option under the Agreement does not give rise to tax consequences for the employee as long as the option is not marketable. Generally, an option will be considered non-marketable if it may not be transferred or sold by the employee.

(ii) Exercise of Option. The exercise of an option under the Agreement gives rise to taxable income equal to the difference between the fair market value of the shares on the date the option is exercised and the exercise price paid by the employee (the "spread"). The spread is included as ordinary income and taxable at the employee's marginal tax rate.

The applicable tax rates in Germany vary depending on a number of factors, making it difficult to give a general rule. As an example, however, the maximum income tax rate for 2002 is 48.5% (for 2003, the maximum rate will be 47%). In addition, there will be a church tax for members of the Catholic church and certain Protestant churches levied at a rate of 8% or 9% on the employee's tax liability of up to 48.5% income tax (e.g., if the employee is subject to tax at a rate of 40% on E1,000, he or she will be subject to church tax on his or her income tax liability of E400). Also, there is a solidarity surcharge, which is levied at a rate of 5.5% on the employee's tax liability of up to 48.5% income tax. As a result, there is a 48.5% maximum income tax rate, plus a maximum 4.37% church tax, plus a maximum 2.67% solidarity surcharge resulting in a maximum overall tax on income of 55.54%. Under current law, the individual income tax rate will be reduced to a maximum rate of 42% by 2005.

Under German law, there are no tax benefits if an employee uses shares owned for twelve months or longer to pay the exercise price for an option. Specifically, the gain on shares used to satisfy the exercise price is subject to capital gains tax as described in Section (iii) below.

(iii) Sale of Shares. The disposal of shares does not give rise to taxable gains provided: (i) the employee has held the shares for more than 12 months; (ii) the employee has not, at any time during the last five years, held 1% or more of the stated capital of a company and (iii) the shares are not held as a business asset. Consequently, the employee normally will be subject to tax only on the spread at the time of exercise. If the employee is subject to capital gains tax (because he or she sells the shares within 12 months of their acquisition), the employee will pay taxes only on 50% of any gain realized upon the sale. Furthermore, the employee will be subject to tax only if his or her total capital gains exceed E512 (US\$450 as of 04/02) in the relevant tax year. The employee will be taxed on the gain at his or her marginal income tax rate.

(iv) Dividends. Dividends are subject to income tax in Germany and must be declared by the employee on his or her annual tax return. Only 50% of the value of the dividend distributed is subject to tax. Consequently, only 50% of the U.S. federal income tax withheld at the source is deductible.

(v) Dividend Reinvestment. Automatic reinvestment of dividends paid on the shares will not raise any additional legal issues.

(vi) Tax Favored Regime. There are no special tax regimes whereby employees obtain more favorable tax treatment.

(vii) Foreign Nationals. The tax treatment described above applies to all employees who are German tax residents. Citizenship is not a distinguishing factor. Generally, an individual becomes a German tax resident if he or she resides in or has a habitual abode in Germany.

(viii) Employee Transfer. The discussion below is general in nature. The tax treatment of an employee transferring into or out of Germany depends upon the particular employee's circumstances.

Employees transferring out of or into Germany are taxed in Germany if they are German tax residents at the time of the taxable event (i.e., when the option is exercised). If that is the case, a prorated amount of the benefit is subject to withholding tax in Germany even if the employee becomes a nonresident. The prorated amount reflects the time the employee has spent in Germany after the option has been granted to him or her.

11. Tax Withholding; Company Loan. If the Company determines that it is required to withhold any tax as a result of the exercise of this Option, the Optionee, as a condition to the exercise of this Option, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Optionee shall also make arrangements satisfactory to the Company to enable it to timely satisfy any withholding requirements that may arise in connection with the vesting or disposition of Shares subject to this Option. If the grant of the Option results in an income tax liability to the Optionee prior to the exercise of the Option, the Company will arrange to loan the Optionee the amount of the Optionee's incremental tax liability resulting from the recognition of such income no later than the date such amount is required to be withheld or paid. The loan will become due on the earliest of (i) the exercise, termination or expiration of the Option

for which the loan was made, (ii) the termination of the Optionee's Service, and (iii) the sale or other disposition of the acquired Shares. The loan will be secured solely by the Option and acquired Shares, and will bear interest at the lowest rate necessary to avoid the imputation of income to the Optionee for tax purposes.

12. Administration.

(i) In General. This Agreement shall be administered by the Board of Directors of the Company (the "BOARD") or a Committee appointed by the Board (the "ADMINISTRATOR"). Once appointed, a Committee shall serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their stead, fill vacancies however caused, and terminate the Committee and thereafter directly administer this Plan.

(ii) Powers of the Administrator. Subject to the provisions of this Option Agreement and in the case of a Committee, the specific duties delegated by the Board, the Administrator shall have the authority, in its discretion:

(a) to determine the fair market value of the Common Stock ("FAIR MARKET VALUE");

(b) to determine whether and under what circumstances to offer to buy out an Option for cash or Shares under Section 13;

(c) to approve forms of exercise for use under this Agreement; and

(d) to construe and interpret the terms of this Agreement.

(iii) Administrator's Decisions Binding. All decisions, determinations, and interpretations of the Administrator shall be final and binding on all Optionees and any other holders of any Options, and no member of the Administrator shall be liable for any such determination, decision, or interpretation made in good faith.

13. Changes in Capitalization or Control; Buy Out Offers.

(i) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares and the Exercise Price may be proportionately adjusted for any change in the number of issued shares of Common Stock of the Company resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other change in the number of issued shares effected without receipt of consideration by the Company (not counting shares issued upon conversion of convertible securities of the Company as "effected without receipt of consideration"). Such adjustment shall be made by the Board and shall be final, binding, and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no consequent adjustment shall be made with respect to, the number of Shares or the Exercise Price of Shares under this Agreement.

(ii) Change in Control. The Administrator may, in its discretion, determine at any time the effect that a Change in Control (as defined below) shall have upon the Option; provided however, that a Change in Control shall not have the effect of impairing the rights of any Optionee under this Agreement without his or her prior written consent. Without limiting the foregoing sentence, the Administrator may determine that upon a Change in Control, the Option:

(a) shall become fully vested and exercisable either for a limited period following the Change in Control or for the remainder of the Option's term;

(b) shall terminate upon or after a specified period following the Change in Control;

(c) shall be cancelled in exchange for cash in the amount of the excess of the Fair Market Value of the Shares over the Exercise Price upon termination; or

(d) shall be treated as provided under a combination of clauses (a) through (c), or shall be so treated only if not adequately assumed (or substituted for) by a surviving or successor person or entity in the transactions or events that give rise to the Change in Control.

For purposes of this Section 13(ii), (x) the occurrence of any of the foregoing clauses (a), (b), (c) or (d) shall not constitute an impairment of the rights of any Optionee and (y) the "Administrator" shall be the Administrator as constituted before the Change in Control occurs.

(iii) "Change in Control" means a change in ownership or control of the Company by any of:

(a) a merger or consolidation in which the holders of stock possessing a majority of the voting power in the surviving entity (or a parent of the surviving entity) did not own a majority of the Common Stock of the Company immediately before the transaction;

(b) the sale of all or substantially all of the Company's assets to any other person or entity (other than a subsidiary of the Company);

(c) the liquidation or dissolution of the Company;

(d) the direct or indirect acquisition by any person or related group of persons of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders that the Board does not recommend that the shareholders accept, or

(e) a change in composition of the Board over a period of 36 consecutive months such that a majority of the Board ceases, by reason of one or more contested elections for Board membership, to be composed of individuals who either (A) have been Board members continuously since the beginning of that period or (B) have been

elected or nominated for election as Board members during that period by at least a majority of the Board members described in clause (A) who were in office when the Board approved the election or nomination.

(iii) Buyout of Options. The Administrator may at any time offer to buy out the Option for a payment in cash or shares, based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time of the offer.

14. Entire Agreement; Governing Law. The Notice of Grant and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements and all contemporaneous oral undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, including but not limited to the grant or promise of any right or option to purchase shares of capital stock of the Company to Optionee pursuant to any employment agreement or offer letter delivered by the Company to Optionee or otherwise, and the SysKonnnect Option, and may not be modified to materially and adversely affect the Optionee's interest except by means of a writing signed by the Company and Optionee. This Agreement is governed by California law except for that body of law pertaining to its conflict of laws.

15. Optionee Acknowledgments. OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THIS OPTION IS EARNED ONLY BY CONTINUING CONSULTANCY OR EMPLOYMENT AT THE WILL OF THE COMPANY OR ITS SUBSIDIARIES (NOT THROUGH ANY OTHER MEANS, INCLUDING WITHOUT LIMITATION, THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT SHALL CONFER UPON OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT OR CONSULTANCY BY THE COMPANY OR ITS SUBSIDIARIES, NOR SHALL IT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S OR SUBSIDIARY'S RIGHT TO TERMINATE OPTIONEE'S EMPLOYMENT OR CONSULTANCY AT ANY TIME, WITH OR WITHOUT CAUSE.

Optionee hereby accepts this Option subject to all of the terms and provisions of this Agreement. Optionee acknowledges that the grant of this Option constitutes a voluntary benefit offered by the Company to the Optionee, and that even if options should be offered continuously (and without any reservation that this is a voluntary benefit), no obligation shall be created to grant additional options or similar or comparable rights. Optionee has reviewed this Agreement and the Notice of Grant in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of such documents. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Notice of Grant or this Agreement. Notwithstanding the foregoing, if any party brings any action, suit, counterclaim, cross-claim, appeal, arbitration, or mediation for any relief against the other to enforce the terms of or to declare rights under the Agreement, in addition to any damages and costs which the prevailing party otherwise would be entitled, the non-prevailing party shall pay to the prevailing party a reasonable sum for attorneys' fees and costs incurred in bringing and prosecuting or defending such action or enforcing any judgment,

order, ruling, or award. Optionee agrees to timely notify the Company upon any change in the residence address set forth in this Notice of Grant, and acknowledges that the Company may at in its discretion deliver share certificates representing Shares issued pursuant to the exercise of this Option to such address. If Optionee is a California resident, Optionee agrees to provide the Company within 7 days of the execution of this Agreement the Consent of Spouse attached hereto if applicable, or within 7 days of any event that would cause such consent to be applicable. Optionee acknowledges that the Company will rely on such agreement.

CONSENT OF SPOUSE

The undersigned spouse of the Optionee has read and hereby approves the terms and conditions of the Notice of Grant and this Agreement. In consideration of the Company's granting his or her spouse the right to purchase Shares as set forth in this Agreement, the undersigned hereby agrees to be irrevocably bound by the terms and conditions of this Agreement and further agrees that any community property interest shall be similarly bound. The undersigned hereby appoints the undersigned's spouse as attorney-in-fact for the undersigned with respect to any amendment or exercise of rights under this Agreement.

Dated:

Spouse of Optionee

(Spouse Name)
