**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **December 27, 2006**

**MARVELL TECHNOLOGY GROUP LTD.**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or Other Jurisdiction of Incorporation)

**0-30877**

(Commission File Number)

**77-0481679**

(I.R.S. Employer

Identification No.)

**Canon’s Court**

**22 Victoria Street**

**Hamilton HM 12**

**Bermuda**

(Address of principal executive offices)

**(441) 296-6395**

(Registrant’s telephone number,

including area code)

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))



**Item 5.02**

**Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.**

As previously announced, a special committee of the Board of Directors of Marvell Technology Group Ltd. (the “Company”), with the assistance of independent legal counsel and outside accounting experts, has been conducting an internal review relating to the Company’s historical stock option practices and related accounting matters. Although the special committee has not as yet reported its findings to the Board, it has provided the Company with certain information about the Company’s stock option grants since the Company’s initial public offering in June 2000. From such information the Company has determined that the actual measurement dates for financial accounting purposes of certain stock options grants awarded in the past differ from the recorded grant dates used for such awards, and that in some of those cases the fair market value of the underlying shares of the Company’s Common Stock was higher on the actual measurement date than on the recorded grant date. As set forth in detail below, the following executive officers were beneficiaries of one or more of such grants: Sehat Sutardja, Ph.D., the Company’s Chairman of the Board, President and Chief Executive Officer; Weili Dai, the Company’s Executive Vice President and Chief Operating Officer; Pantas Sutardja, Ph.D., the Company’s Chief Technology Officer; and George Hervey, the Company’s Vice President of Finance and Chief Financial Officer. On December 27 and 28, 2006, each of the foregoing individuals and the Company voluntarily agreed to reform the outstanding stock option agreements for these grants such that the exercise price for such options is corrected to the price that would have been applicable had the grants been made using the actual measurement dates for financial accounting purposes. For options that remain unexercised, the applicable exercise price has thus been corrected to equal the fair market value (i.e., the closing price) of the Company’s Common Stock on the actual measurement date, with all other terms of those options remaining unchanged. As to all such options previously exercised, these individuals have remitted to the Company the full amount of the difference between the exercise prices of the options as granted and the fair market values of the Common Stock on the actual measurement dates. The reformation of certain of the options was undertaken, among other reasons, to address potential tax consequences arising from Internal Revenue Code Section 409A prior to the December 31, 2006 deadline for Section 16(a) reporting persons.

These individuals have agreed to reform their stock option agreements as follows (all amounts have been adjusted to reflect stock splits):

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Recorded** | | **Number of Shares** | | **Number of Shares** |  |  | **Original** |  |  | **Reformed** |  |  |
|  |  |  |  |  | **Exercise** |  |  | **Exercise** |  |  |
| **Optionee** | | | **Option Grant** | | **Originally Subject** | | **Remaining** |  |  | **Price per** |  |  | **Price per** |  |  |
| **Date** | | **to Option** | | **Unexercised** |  |  | **Share** |  |  | **Share** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sehat Sutardja, Ph.D. | | 12/26/03 |  | 6,000,000 |  | 3,000,000 | $ | | 9.125 | $ | | 10.91 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weili Dai | | 12/26/03 |  | 4,000,000 |  | 2,083,334 | $ | | 9.125 | $ | | 10.91 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pantas Sutardja, Ph.D. | | 12/26/03 |  | 2,640,000 |  | 2,518,332 | $ | | 9.125 | $ | | 10.91 |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| George Hervey | | 03/18/05 |  | 24,212 |  | 24,212 | $ | | 17.73 | $ | | 18.64 |  |  |
|  |  |  | 01/02/04 |  | 10,552 |  | 10,552 | $ | | 9.475 | $ | | 9.81 |  |  |
|  |  |  | 01/02/04 |  | 269,448 |  | 269,448 | $ | | 9.475 | $ | | 9.81 |  |  |
|  |  |  | 05/05/03 |  | 7,896 |  | 7,896 | $ | | 6.185 | $ | | 8.995 |  |  |
|  |  |  | 05/05/03 |  | 192,104 |  | 192,104 | $ | | 6.185 | $ | | 8.995 |  |  |
|  |  |  | 10/16/02 |  | 28,836 |  | 28,836 | $ | | 3.4675 | $ | | 5.1275 |  |  |
|  |  |  | 10/16/02 |  | 251,164 |  | 251,164 | $ | | 3.4675 | $ | | 5.1275 |  |  |
|  |  |  | 02/28/02 |  | 6,668 |  | 6,668 | $ | | 7.6725 | $ | | 10.09 |  |  |
|  |  |  | 02/28/02 |  | 153,332 |  | — | $ | | 7.6725 | $ | | 10.09 |  |  |
|  |  |  | 01/02/01 |  | 160,000 |  | — | $ | | 5.3438 | $ | | 6.875 |  |  |
|  |  |  |  |  | 2 |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



As described above, pursuant to the reformation of the stock option agreements listed above, Sehat Sutardja, Ph.D., Weili Dai, Pantas Sutardja, Ph.D., and George Hervey have paid to the Company the following amounts by which the aggregate reformed exercise prices for the portions of options that were previously exercised exceed the amounts paid for the shares received upon exercise:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** |  | **Amount** | |
| Sehat Sutardja, Ph.D. |  | $ 5,355,001 |  |
| Weili Dai | 3,421,249 | |  |
| Pantas Sutardja, Ph.D. | 217,178 | |  |
| George Hervey | 615,673 | |  |

**Item 9.01** **Financial Statements and Exhibits.**

1. **Exhibits**

**Exhibit No.** **Description**



10.1 Reformation of Stock Option Agreement dated December 27, 2006, by and between Sehat Sutardja and Marvell Technology Group Ltd.

10.2 Reformation of Stock Option Agreement dated December 27, 2006, by and between Weili Dai and Marvell Technology Group Ltd.

10.3 Reformation of Stock Option Agreement dated December 28, 2006, by and between Pantas Sutardja and Marvell Technology Group Ltd.

10.4 Reformation of Stock Option Agreements dated December 28, 2006, by and between George Hervey and Marvell Technology Group Ltd.

3



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 4, 2007

MARVELL TECHNOLOGY GROUP LTD.

|  |  |
| --- | --- |
| By: | /s/ George A. Hervey |
|  | George A. Hervey |
|  | Vice President of Finance and |
|  | Chief Financial Officer |

4



**Exhibit 10.1**

**MARVELL TECHNOLOGY GROUP LTD.**

**AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Sehat Sutardja (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

**Recitals**

WHEREAS, the Company previously issued to the Optionee an option (the “Option”) to acquire 6,000,000 shares of common stock of the Company at an exercise price of $9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the “Agreement”) under the Company’s Amended and Restated 1995 Stock Option Plan (the “Plan”) (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company’s determination;

WHEREAS, the Option has been exercised with respect to 2,200,788 shares before 2006 and 799,212 shares in 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or $10.91, the fair market value of the common stock of the Company on January 16, 2004 (“Corrected Exercise Price”).

**Agreement**

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is $10.91.
2. Upon execution of the Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected



Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised in 2006, or $1,426,594.

1. Upon execution of the Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised before 2006, or $3,928,407.
2. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.
3. The terms of the Agreement not specifically reformed hereby remain in full force and effect.
4. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.
5. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.
6. The Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraphs B and C of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company’s bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate



Name: Mike Tate



Title: VP & Treasurer of MSI



Date: 12/27/06



Signature of



Optionee

/s/ Sehat Sutardja

Sehat Sutardja



Date: 12/27/06



2



**Exhibit 10.2**

**MARVELL TECHNOLOGY GROUP LTD.**

**AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Weili Dai (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

**Recitals**

WHEREAS, the Company previously issued to the Optionee an option (the “Option”) to acquire 4,000,000 shares of common stock of the Company at an exercise price of $9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the “Agreement”) under the Company’s Amended and Restated 1995 Stock Option Plan (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company’s determination;

WHEREAS, the Option has been exercised with respect to 1,916,666 shares before 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or $10.91, the fair market value of the common stock of the Company on January 16, 2004 (“Corrected Exercise Price”).

**Agreement**

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is $10.91.
2. Upon execution of this Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised before 2006, or $3,421,249.
3. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.
4. The terms of the Agreement not specifically reformed hereby remain in full force and effect.
5. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.
6. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.
7. The Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraph B of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company’s bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.



The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate



|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name: | | Mike Tate | | | | |
| Title: VP & Treasurer of MSI | |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Date: 12/27/06 | |  |  |  |  | /s/ Weili Dai |
|  |  |  |  |  |  | Signature of |
|  |  |  |  |  |  | Optionee |
|  |  |  |  |  |  | Weili Dai |
|  |  |  |  |  |  | Weili Dai |

Date: 12/27/06



2



**Exhibit 10.3**

**MARVELL TECHNOLOGY GROUP LTD.**

**AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENT

This Reformation of Stock Option Agreement is entered into by and between Pantas Sutardja (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

**Recitals**

WHEREAS, the Company previously issued to the Optionee an option (the “Option”) to acquire 2,640,000 shares of common stock of the Company at an exercise price of $9.125 per share pursuant to a stock option agreement dated effective December 26, 2003 (the “Agreement”) under the Company’s Amended and Restated 1995 Stock Option Plan (the “Plan”) (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has now determined that the effective date of grant of the Option appears to be January 16, 2004 based upon the best information available to the Company;

WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company’s determination;

WHEREAS, the Option has been exercised with respect to 121,668 shares in 2006; and

WHEREAS, the parties hereby reform the Agreement to reflect the exercise price per share required by the Plan for a grant on January 16, 2004, or $10.91, the fair market value of the common stock of the Company on January 16, 2004 (“Corrected Exercise Price”).

**Agreement**

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The terms of the Option and Agreement are hereby reformed, effective December 26, 2003, to reflect that the exercise price per share with respect to the shares subject to the Option is $10.91.
2. Upon execution of this Reformation of Stock Option Agreement on or before December 31, 2006, the Optionee shall pay to the Company the amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares subject to the portion of the Option that was exercised in 2006, or $217,178.
3. The Optionee acknowledges that the Option is a nonstatutory stock option for income tax purposes.
4. The terms of the Agreement not specifically reformed hereby remain in full force and effect.
5. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreement.
6. This Reformation of Stock Option Agreement shall be governed by the laws of the State of California.
7. The Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreement, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreement; it being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraph B of this Reformation of Stock Option Agreement or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreement; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company’s bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.



The parties hereto have duly executed this Reformation of Stock Option Agreement on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| By: | /s/ Mike Tate | |  |  |  |  |
| Name: | | | Mike Tate | |  | |
| Title: |  |  | VP & Treasurer of MSI | | | |
| Date: | 12/27/06 | |  |  |  | /s/ Pantas Sutardja |
|  |  |  |  |  |  | Signature of Optionee |

Pantas Sutardja

Pantas Sutardja



Date: 12/28/06



2



**Exhibit 10.4**

**MARVELL TECHNOLOGY GROUP LTD.**

**AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

REFORMATION OF STOCK OPTION AGREEMENTS

This Reformation of Stock Option Agreements is entered into by and between George Hervey (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

**Recitals**

WHEREAS, the Company previously issued to the Optionee options to acquire shares of common stock of the Company pursuant to stock option agreements (the “Agreements”) under the Company’s Amended and Restated 1995 Stock Option Plan (the “Plan”) (all references to shares and per share prices in this Reformation of Stock Option Agreement are as adjusted for subsequent stock splits);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has now determined that the effective dates of grant for the following options (the “Options”) appear to be the dates set forth below based upon the best information available to the Company:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **Exercise** | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | **Price per** | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | **Share on** | |  | **Aggregate** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | **Corrected** | |  |  |  |  |  |
|  |  |  |  |  | **Number** |  |  |  |  | **Date of** | |  | **Excess of** |  |  |  |  |
| **Date of** |  |  | **Exercise** | |  | **Corrected** |  |  | **Grant** | |  | **Corrected** |  | **Exercised** | |  |
|  |  | **of Shares** |  |  |  | **(“Corrected** | |  | **Exercise Price** |  |  |
| **Grant (per** |  |  | **Price per** | | **Subject to** |  | **Date of** |  |  | **Exercise** | |  | **over Original** |  | **or** | |  |
| **Agreement)** |  |  | **Share** | | **Option** |  | **Grant** |  |  | **Price”)** | |  | **Exercise Price** |  | **Unexercised** | |  |
| 3/18/05 |  | $ | 17.73 |  | 24,212 |  | 3/24/05 |  | $ | 18.64 |  | $ | 22,033 |  | Unexercised |  |  |
| 1/2/04 | $ | | 9.475 |  | 10,552 | 2/4/04 | | $ | | 9.81 |  | $ | 3,535 | Unexercised | | |  |
| 1/2/04 | $ | | 9.475 |  | 269,448 | 2/4/04 | | $ | | 9.81 |  | $ | 90,265 | Unexercised | | |  |
| 5/5/03 | $ | | 6.185 |  | 7,896 | 8/12/03 | | $ | | 8.995 |  | $ | 22,188 | Unexercised | | |  |
| 5/5/03 | $ | | 6.185 |  | 192,104 | 8/12/03 | | $ | | 8.995 |  | $ | 539,812 | Unexercised | | |  |
| 10/16/02 | $ | | 3.4675 |  | 28,836 | 12/13/02 | | $ | | 5.1275 |  | $ | 47,868 | Unexercised | | |  |
| 10/16/02 | $ | | 3.4675 |  | 251,164 | 12/13/02 | | $ | | 5.1275 |  | $ | 416,932 | Unexercised | | |  |
| 2/28/02 | $ | | 7.6725 |  | 6,668 | 4/3/02 | | $ | | 10.09 |  | $ | 16,120 | Unexercised | | |  |
| 2/28/02 | $ | | 7.6725 |  | 105,332 | 4/3/02 | | $ | | 10.09 |  | $ | 254,641 | Exercised in 2006 | | |  |
| 2/28/02 | $ | | 7.6725 |  | 48,000 | 4/3/02 | | $ | | 10.09 |  | $ | 116,040 | Exercised before 2006 | | |  |
| 1/2/01 | $ | | 5.3438 |  | 160,000 | 1/15/01 | | $ | | 6.8750 |  |  | 244,992 | Exercised before 2006 | | |  |



WHEREAS, the Optionee takes no position with respect to the effective date of grant and instead defers to the Company’s determination; and

WHEREAS, the parties hereby reform each Agreement to reflect the applicable Corrected Exercise Price, which equals the fair market value of the common stock of the Company on the corrected date of grant set forth above.

**Agreement**

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The terms of each Option and Agreement are hereby reformed, effective on the original date of grant of the Option, to reflect that the exercise price per share is the Corrected Exercise Price as set forth above.
2. Upon execution of this Reformation of Stock Option Agreements on or before December 31, 2006, with respect to the portion of the Option that was exercised in 2006, the Optionee shall pay to the Company the aggregate amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares, or $254,641.
3. Upon execution of this Reformation of Stock Option Agreements on or before December 31, 2006, with respect to the Options (or portions thereof) that were exercised prior to 2006, the Optionee shall pay to the Company the aggregate amount by which the Corrected Exercise Price exceeds the amount the Optionee paid for the shares, or $361,032.
4. The terms of the Agreement not specifically reformed hereby remain in full force and effect.
5. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the Agreements.
6. This Reformation of Stock Option Agreements shall be governed by the laws of the State of California.

2



1. The Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Reformation of Stock Option Agreements, and is not relying on the Company or its agents for such advice. The Optionee agrees that the Company shall not be liable for any costs, taxes, loss or damage that the Optionee may incur by entering into the Agreement or this Reformation of Stock Option Agreements; it

being understood that the Optionee will not pursue a claim, whether by way of indemnification or otherwise (i) with respect to such costs, taxes, loss or damage, (ii) with respect to amounts paid to the Company pursuant to paragraphs B and C of this Reformation of Stock Option Agreements or (iii) with respect to costs incurred in connection with the negotiation and preparation of this Reformation of Stock Option Agreements; provided, however, that nothing herein shall otherwise affect any rights of the Optionee to indemnification pursuant to the Company’s bye-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

The parties hereto have duly executed this Reformation of Stock Option Agreements on the dates set forth below.

MARVELL TECHNOLOGY GROUP LTD.

By: /s/ Mike Tate



|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Name: |  | Mike Tate | | | | |  |
| Title: | VP & Treasurer of MSI |  |  |  |  |  |  |
| Date: | 12/27/06 |  |  |  | /s/ George A. Hervey | |  |
|  |  |  |  |  | Signature of Optionee | |  |
|  |  |  |  |  | George A. Hervey | |  |
|  |  |  |  |  | George Hervey | |  |
|  |  |  |  |  | Date: 12/28/06 | |  |
|  |  | 3 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

