

**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 28, 2007**

**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 Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 28, 2007, the Executive Compensation Committee of the Board of Directors (the “Compensation Committee”) of Marvell Technology Group, Ltd. (the “Company”) took the actions described below. All equity awards described below were made pursuant to the Company’s Amended and Restated 1995 Stock Option Plan (the “Plan”). The exercise price of each option grant described below is $14.01 per share, which is equal to the closing price of the Company’s common shares as reported on the Nasdaq Global Market on December 28, 2007.

*Approval of Compensation Arrangements for Chief Executive Officer*

The Compensation Committee approved the compensation arrangements described below for Dr. Sehat Sutardja, the Company’s Chief Executive Officer.

1. Dr. Sehat Sutardja received an annual equity award of a time-based option to purchase 189,000 common shares and a performance-based option to purchase 226,800 common shares. The shares subject to the performance-based option will become vested and fully exercisable on the 10-K Due Date (as defined below) corresponding to the first fiscal year ending on or prior to January 29, 2011 in which the Company’s Pro Forma EPS (as defined below) for such fiscal year is two times Pro Forma EPS for fiscal year 2007, in accordance with the form of Notice of Grant of Stock Options attached hereto as Exhibit 10.1. “10-K Due Date” means, with respect to the fiscal year in question, the prescribed due date on which the Company’s Annual Report on Form 10-K is required to be filed with the Securities and Exchange Commission. “Pro Forma EPS” will be calculated by adjusting diluted net income per share under generally accepted accounting principles (“GAAP EPS”) for the impact of (i) non-cash stock-based compensation charges by adding to GAAP EPS non-cash stock-based compensation expense recognized under Statement of Financial Accounting Standard No. 123 (R) (“SFAS 123R”), and (ii) non-cash charges associated with purchase accounting and other write-off related expenses by adding to GAAP EPS amortization and write-off of acquired intangible assets and other, and acquired in-process research and development. The Pro Forma EPS will be proportionately adjusted by the Executive

Compensation Committee for any stock split, reverse stock split, stock dividend, share combination, recapitalization or similar event effected subsequent to the date of grant. 1/48 of the shares subject to the time-based option vest on each monthly anniversary of June 1, 2007.

Each such option has a term of 10 years from the date of grant; provided, that if the shares subject to the performance-based option shall not have become vested and fully exercisable as of the 10-K Due Date for the fiscal year ending January 29, 2011, the performance-based option will terminate and be of no further force or effect.

1. A bonus was given to Dr. Sehat Sutardja for his performance in the fiscal year ended January 27, 2007 consisting of a time-based option to purchase 46,000 common shares. 1/48 of the shares subject to this option vest on each monthly anniversary of June 1, 2007.
2. The Compensation Committee approved an annual salary increase for Dr. Sehat Sutardja to $657,000 (from $557,000) effective December 28, 2007.

*Approval of Compensation Arrangements for Chief Technology Officer*

The Compensation Committee approved the compensation arrangements described below for Dr. Pantas Sutardja, the Company’s Chief Technology Officer.

1. Dr. Pantas Sutardja received an annual equity award of a time-based option to purchase 84,000 common shares and a performance-based option to purchase 101,000 common shares. The shares subject to the performance-based option will become vested and fully exercisable on the 10-K Due Date (as defined above) corresponding to the first fiscal year ending on or prior to January 29, 2011 in which the Company’s growth for such fiscal year is two times EPS growth over fiscal year 2007, all as described above in connection with the performance-based option granted to the Company’s Chief Executive Officer and in accordance with the form of Notice of Grant of Stock Options attached hereto as Exhibit 10.1. 1/48 of the shares subject to the time-based option vest on each monthly anniversary of June 1, 2007.

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Each such option has a term of 10 years from the date of grant; provided, that if the shares subject to the performance-based option shall not have become vested and fully exercisable as of the 10-K Due Date for the fiscal year ending January 29, 2011, the performance-based option will terminate and be of no further force or effect.

1. A bonus was given to Dr. Pantas Sutardja for his performance in the fiscal year ended January 27, 2007 consisting of a time-based option to purchase 12,000 common shares. 1/48 of the shares underlying this option vest on each monthly anniversary of June 1, 2007.

*Approval of Compensation Arrangements for Interim Chief Financial Officer*

The Compensation Committee approved the compensation arrangements described below for Michael Rashkin, the Company’s Interim Chief Financial Officer

1. An option to purchase 20,000 common shares. All of the shares subject to this option cliff vest on February 1, 2011, and the option has a term of 10 years from the date of grant.
2. A bonus for Mr. Rashkin’s performance in the fiscal year ended January 27, 2007 consisting of (a) a cash payment of $46,164 and (b) a fully vested option to purchase 13,179 common shares. The option has a term of 10 years from the date of grant.
3. A one-time payment of $5,104.45, reflecting a retroactive annual salary increase for Mr. Rashkin to $242,350.50 (from $230,810) for the period from February 1, 2007 through July 12, 2007. Effective as of July 13, 2007, when Mr. Rashkin became the Company’s Interim Chief Financial Officer,

Mr. Rashkin’s annual salary was increased to $350,000.

*Approval of Compensation Arrangements for Former Interim Chief Financial Officer*

The Compensation Committee approved the following one-time cash payments to Michael Tate, the Company’s former Interim Chief Financial Officer: (i) A payment of $9,986.30, reflecting a retroactive annual salary increase for Mr. Tate to $247,500 (from $225,000) for the period from February 1, 2007 through July 12, 2007 (Mr. Tate’s last day with the Company) and (ii) a cash bonus payment of $33,750 for Mr. Tate’s performance in the fiscal year ended January 27, 2007.

*Approval of Interim Chief Financial Officer Option Amendment*

Because Mr. Rashkin was not permitted to participate in the Company’s broad-based program to allow individuals who held certain stock options subject to adverse tax consequences under Internal Revenue Code Section 409A and parallel California laws (“Section 409A”) the Committee discussed alternatives available to allow Mr. Rashkin to avoid these adverse tax consequences. The Committee authorized the Company to offer Mr. Raskin the opportunity to increase his stock option exercise prices to the prices necessary to avoid the adverse tax consequences under Section 409A. In exchange for his accepting this offer, the Committee authorized the grant to Mr. Rashkin of restricted stock units for an aggregate of 8,936 common shares. The restricted stock units will be granted on January 4, 2008 as to 5,667 shares and January 15, 2008 as to 3,269 shares. The form of Amendment of Stock Option entered into between the Company and Mr. Rashkin is attached hereto as Exhibit 10.2.

**Item 9.01 Financial Statements and Exhibits.**

1. Exhibits

|  |  |  |
| --- | --- | --- |
| **Exhibit No.** | | **Description** |
| 10.1 |  | Form of Notice of Grant of Stock Options (performance-based vesting) |
| 10.2 |  | Amendment of Stock Option between the Registrant and Michael Rashkin dated December 31, 2007 |

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**SIGNATURE**

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

Dated: January 2, 2008

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | MARVELL TECHNOLOGY GROUP LTD. | | |  |  |
|  |  |  | By: | | /s/ Michael Rashkin |  |  |
|  |  |  |  |  | Michael Rashkin |  |  |
|  |  |  |  |  | Interim Chief Financial Officer |  |  |
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|  |  |  |  | |  |  |  |
|  |  |  | **EXHIBITS** | |  |  |  |
|  | **Exhibit No.** | |  | **Description** |  |  |  |
|  | 10.1 |  | Form of Notice of Grant of Stock Options (performance-based vesting) | |  |  |  |
| 10.2 | |  | Amendment of Stock Option between the Registrant and Michael Rashkin dated December 31, 2007 | | |  |  |
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|  |  |  |  |  |  |  |  |



**Exhibit 10.1**



|  |  |
| --- | --- |
| **Notice of Grant of Stock Options and Option Agreement** | **Marvell Technology Group Ltd.** |
|  | ID: 77-0481679 |
|  | Canon’s Court |
|  | 22 Victoria Street |
|  | Hamilton HM 12, Bermuda |
|  |  |
| [Name] | Option Number: |
| [Address] | Plan: |
|  | ID: |



Effective [Date], you have been granted a Non-Qualified Stock Option to buy (the “Company”) at $ per share.

Shares of Common Stock of Marvell Technology Group Ltd.

The total option price of the Shares granted is $

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This Option shall become vested and fully exercisable and the Shares will be fully vested on the 10-K Due Date corresponding to the first fiscal year ending on or prior to January 29, 2011 in which Pro Forma EPS for such fiscal year exceeds 200% of Pro Forma EPS for the 2007 fiscal year (the “Target EPS”). Prior to such time, this Option shall not be vested or exercisable and the Shares shall not be vested. The Target EPS shall be proportionately adjusted by the Executive Compensation Committee of the Board for any stock split, reverse stock split, stock dividend, share combination, recapitalization or similar event effected subsequent to the date hereof. As used herein “10-K Due Date” shall mean, with respect to the fiscal year in question, the prescribed due date on which the Company’s Annual Report on Form 10-K is required to be filed with the Securities and Exchange Commission. “Pro Forma EPS” shall be calculated by adjusting diluted net income per share under generally accepted accounting principles (“GAAP EPS”) for the impact of (i) non-cash stock-based compensation charges by adding to GAAP EPS non-cash stock-based compensation expense recognized under Statement of Financial Accounting Standard No. 123 (R) (“SFAS 123R”), and (ii) non-cash charges associated with purchase accounting and other write-off related expenses by adding to GAAP FPS amortization and write-off of acquired intangible assets and other, and acquired in-process research and development. Pro Forma EPS for all fiscal years shall be derived in a manner consistent with the derivation of pro forma non-GAAP net income per share for the fiscal year ended January 28, 2006 included in the Company’s earnings release dated February 23, 2006 (it being understood that Pro Forma EPS for fiscal years ending after January 28, 2006 shall reflect adjustments to add to GAAP EPS non-cash stock-based compensation expense recognized under SFAS 123R and shall include purchase accounting adjustments for inventory). All interpretations and determinations with respect to the calculation of Pro Forma EPS shall be made by the Executive Compensation Committee of the Board, whose decisions shall be final and binding on all persons.

The term of this Option shall expire on [Date - 10 years from date of grant], subject to earlier termination as set forth in the attached Option Agreement and the following sentence. If this Option shall not have become vested and fully exercisable and the Shares fully vested as of the 10-K Due Date for the fiscal year ending January 29, 2011, this Option shall terminate and be of no further force or effect.

1



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 Company’s Amended and Restated 1995 Stock Option Plan, as amended, and the Option Agreement, all of which are attached and made a part of this document.



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Marvell Technology Group Ltd. | | |  | Date |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| [Name] | | |  | Date |  |
|  |  |  |  |  |  |
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**Exhibit 10.2**

**MARVELL TECHNOLOGY GROUP LTD.**

**AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

AMENDMENT OF STOCK OPTION

This Amendment of Stock Option is entered into by and between ***Michael D. Rashkin*** (the “Optionee”) and Marvell Technology Group Ltd., a Bermuda corporation (the “Company”), effective as set forth below.

**Recitals**

WHEREAS, the Company previously granted to the Optionee, under the Company’s Amended and Restated 1995 Stock Option Plan, the

option(s) listed on Schedule A (the “Options”) to acquire common shares of the Company at the respective exercise prices listed on Schedule A in the column

entitled “Original Exercise Price Per Share” (the “Agreement”) (all references to shares and per share prices in this Amendment of Stock Option are as

adjusted for stock splits subsequent to the grant date);

WHEREAS, based upon an internal review of the Company’s practices relating to stock option grants, the Company has determined that the per share fair market value on the appropriate grant date for each of the Options should be the price listed in the column entitled “New Exercise Price Per Share;”

WHEREAS, if the per share exercise price of each Option is not modified to be greater than or equal to the applicable “New Exercise Price Per Share,” the Optionee will be subject to additional taxes under Internal Revenue Code Section 409A and parallel state taxes, if applicable, with respect to each such Option; and

WHEREAS, the parties wish to amend each of the Options to have a per share exercise price equal to the New Exercise Price for such Option;

**Agreement**

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

1. The terms of each Option are hereby amended, effective December 31, 2007, to reflect that the exercise price per share with respect to the shares subject to the Option that were not exercised prior to January 1, 2008 is the New Exercise Price Per Share for such Option, as listed on Schedule A.
2. The terms of each Option not specifically amended hereby remain in full force and effect.
3. Optionee acknowledges that each of the Options is a nonstatutory stock option for income tax purposes.
4. All defined terms used herein but not otherwise defined shall have the meaning assigned to such terms in the stock option agreement for such

Option.

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1. In exchange for Optionee’s agreement to amend the Options, the Company hereby promises to pay Optionee an RSU grant and/or cash payment as described on Schedule B.
2. This Amendment of Stock Option shall be governed by the laws of the State of California without regard to its principles regarding conflicts of

law.

1. Optionee has had an opportunity to consult with the Optionee’s personal tax, legal and investment advisors with regard to this Amendment of Stock Option, 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 this Amendment of Stock Option; 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 costs incurred in connection with the negotiation and preparation of this Amendment of Stock Option; provided, however, that nothing herein otherwise shall affect any rights of the Optionee to indemnification pursuant to the Company’s by-laws or any other agreements or instruments of or with the Company or any of its subsidiaries.

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The parties hereto have duly executed this Amendment of Stock Option on the dates set forth below and such acceptance of this agreement shall be revocable by either party at any time before 12:00 a.m. on January 1, 2008.

MARVELL TECHNOLOGY GROUP LTD. OPTIONEE

By:



Signature of Optionee

Name:



Title:



Date: Date:



[AMENDMENT TO STOCK OPTION — M. RASHKIN]

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**Schedule A**

**Rashkin, Michael D.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Shares** | | **Shares** |  |  | **Original** | |  | **New Exercise** | |  | **Exercise** | |  |  |  |  |  |
|  | **Grant** | | **Subject to** |  |  | **Exercise** | |  |  | **Price** | | **Aggregate Exercise** | | |  |  |
|  | **Eligible for** | | **Amended** |  |  | **Price per** | |  | **Price per** | |  | **Increase** | |  |  |
|  | **Number** | | **Amendment** | | **Option** |  |  | **Share** | |  | **Share** | |  | **per Share** | |  | **Price Increase** | |  |  |
|  | 00004571 |  | 10,552 |  | 10,552 |  | $ | 9.4750 |  | $ | 10.40000 |  | $ | 0.92500 |  | $ | 9,760.60 |  |  |  |
|  | 00009059 |  | 5,640 |  | 5,640 | $ | | 17.7300 |  | $ | 18.85000 |  | $ | 1.12000 |  | $ | 6,316.80 |  |  |  |
|  | 00009060 |  | 10,360 |  | 10,360 | $ | | 17.7300 |  | $ | 18.85000 |  | $ | 1.12000 |  | $ | 11,603.20 |  |  |  |
|  | 00004572 |  | 9,448 |  | 9,448 | $ | | 9.4750 |  | $ | 10.40000 |  | $ | 0.92500 |  | $ | 8,739.40 |  |  |  |
|  | 00013450 |  | 20,312 |  | 20,312 | $ | | 27.1050 |  | $ | 27.49000 |  | $ | 0.38500 |  | $ | 7,820.12 |  |  |  |
|  | 00013449 |  | 3,688 |  | 3,688 | $ | | 27.1050 |  | $ | 27.49000 |  | $ | 0.38500 |  | $ | 1,419.88 |  |  |  |
|  | 00001768 |  | 1,002 |  | 1,002 | $ | | 7.6725 |  | $ | 10.09000 |  | $ | 2.41750 |  | $ | 2,422.34 |  |  |  |
|  | 00003235 |  | 15,336 |  | 15,336 | $ | | 6.1850 |  | $ | 8.90500 |  | $ | 2.72000 |  | $ | 41,713.92 |  |  |  |
|  | 00002287 |  | 20,000 |  | 20,000 | $ | | 4.6725 |  | $ | 6.33500 |  | $ | 1.66250 |  | $ | 33,250.00 |  |  |  |
|  | 00003236 |  | 664 |  | 664 | $ | | 6.1850 |  | $ | 8.90500 |  | $ | 2.72000 |  | $ | 1,806.08 |  |  |  |
|  | Total | | 97,002 |  | 97,002 |  |  |  |  |  |  |  |  |  |  | $ | 124,852.34 |  |  |  |
|  |  |  |  |  |  |  |  | 4 |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



**Schedule B**

The number of restricted stock units potentially to be granted in relation to each Option (the “RSU Number”) shall be equal to that Option’s Aggregate Exercise Price Increase shown on Schedule A divided by the closing price of the Company’s common shares on the Nasdaq Global Market on December 31, 2007, rounded up to the nearest whole number.

On January 4, 2008, if Optionee is employed on such date, Optionee will be granted restricted stock units for each Option in an amount equal to the result of

1. multiplied by (Y), divided by (Z), rounded up to the nearest whole number; where (X) equals the Exercise Price Increase Per Share shown on Schedule A for such Option, (Y) equals the number of shares subject to such Option that was vested as of December 31, 2007, and (Z) equals the closing price of the Company’s common shares on the Nasdaq Global Market on December 31, 2007 (the “January 4th RSU Grant”).

On January 15, 2008, if Optionee is employed on such date, Optionee will be granted restricted stock units in an amount equal to the RSU Number for each of his or her Options, minus the number of restricted stock units in the January 4th RSU Grant related to such Option.

Example: Optionee holds an Option to purchase at 1,000 shares for $5.00 per share granted at a time when fair market value was $10.00.

The closing price of the Company’s stock on December 31, 2007 is assumed to be $15.00 for purposes of these calculations.

If Optionee accepts the offer, the Option will be amended to be an option to purchase 1,000 shares for $10.00 per share. In addition, if the Option was vested as to 500 shares on December 31, 2007, Optionee will receive a restricted stock unit grant on January 4, 2008 for a number of shares equal to (($10.00-$5.00) x 500) divided by $15.00. This results in a restricted stock unit grant for 166 shares on January 4th, 2008.

Additionally, on January 15, 2008, Optionee will receive a restricted unit grant for a number of shares equal to ((($10.00-$5.00) x 1,000) divided by $15.00) minus 166. The results in a restricted stock unit grant for 167 shares on January 4th, 2008.

Any such restricted stock unit grant granted on January 15, 2008 shall vest in accordance with the vesting schedule of the Option with respect to which it was granted, with any portion scheduled to vest during a month vesting on the 15th day of such month.

If Optionee is not employed on January 4, 2008, Optionee will receive, in lieu of any restricted stock unit grant, a cash payment for an amount equivalent to the Exercise Price Increase per Share shown on Schedule A for each Option multiplied by the number of shares subject to such Option that were vested as of the date of employment termination, less applicable tax withholdings.

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If Optionee is not employed on January 15, 2008, Optionee will receive no restricted stock unit grant on such date, but will instead receive a cash payment equal to the Exercise Price Increase per Share shown on Schedule A for each share with respect to which the Option vested between December 31, 2007 and Optionee’s date of termination of employment.

Notwithstanding the foregoing, if the RSU Number for all Options is less than 20, Optionee will receive, in lieu of any restricted stock unit grant with respect to such Option, a cash payment equal to the Aggregate Exercise Price Increase for such Option. Such cash payment will be made on the first payroll date in 2008 and will not be subject to vesting.

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