

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2020

or

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 000-30877



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.)

Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda
(441) 294-8096

(Address of principal executive offices, Zip Code and registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.002 per share	MRVL	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of common shares of the registrant outstanding as of November 27, 2020 was 671.8 million shares.

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PART I: FINANCIAL INFORMATION**Item 1. Financial Statements**

MARVELL TECHNOLOGY GROUP LTD.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value per share)

	October 31, 2020	February 1, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 832,041	\$ 647,604
Accounts receivable, net	490,271	492,346
Inventories	268,396	322,980
Prepaid expenses and other current assets	68,618	74,567
Total current assets	1,659,326	1,537,497
Property and equipment, net	331,769	357,092
Goodwill	5,336,356	5,337,405
Acquired intangible assets, net	2,380,382	2,764,600
Deferred tax assets	646,837	639,791
Other non-current assets	470,102	496,850
Total assets	<u>\$ 10,824,772</u>	<u>\$ 11,133,235</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 224,112	\$ 213,747
Accrued liabilities	406,986	346,639
Accrued employee compensation	187,982	149,780
Short-term debt	349,004	—
Total current liabilities	1,168,084	710,166
Long-term debt	992,801	1,439,024
Other non-current liabilities	274,270	305,465
Total liabilities	2,435,155	2,454,655
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Common shares, \$0.002 par value	1,343	1,328
Additional paid-in capital	6,260,906	6,135,939
Retained earnings	2,127,368	2,541,313
Total shareholders' equity	8,389,617	8,678,580
Total liabilities and shareholders' equity	<u>\$ 10,824,772</u>	<u>\$ 11,133,235</u>

See accompanying notes to unaudited condensed consolidated financial statements

MARVELL TECHNOLOGY GROUP LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Net revenue	\$ 750,143	\$ 662,470	\$ 2,171,081	\$ 1,981,490
Cost of goods sold	369,083	322,403	1,103,863	929,293
Gross profit	381,060	340,067	1,067,218	1,052,197
Operating expenses:				
Research and development	255,637	267,781	812,360	801,002
Selling, general and administrative	115,501	118,993	350,322	342,988
Restructuring related charges	19,312	14,802	161,189	37,070
Total operating expenses	390,450	401,576	1,323,871	1,181,060
Operating loss	(9,390)	(61,509)	(256,653)	(128,863)
Interest income	608	1,092	2,243	3,437
Interest expense	(16,066)	(21,241)	(48,531)	(62,975)
Other income (loss), net	299	689	3,613	(1,624)
Interest and other income (loss), net	(15,159)	(19,460)	(42,675)	(61,162)
Loss before income taxes	(24,549)	(80,969)	(299,328)	(190,025)
Provision (benefit) for income taxes	(1,641)	1,532	(5,494)	(1,743)
Net loss	\$ (22,908)	\$ (82,501)	\$ (293,834)	\$ (188,282)
Net loss per share - basic	\$ (0.03)	\$ (0.12)	\$ (0.44)	\$ (0.28)
Net loss per share - diluted	\$ (0.03)	\$ (0.12)	\$ (0.44)	\$ (0.28)
Weighted-average shares:				
Basic	670,487	668,178	667,186	667,184
Diluted	670,487	668,178	667,186	667,184

See accompanying notes to unaudited condensed consolidated financial statements

MARVELL TECHNOLOGY GROUP LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Net loss	\$ (22,908)	\$ (82,501)	\$ (293,834)	\$ (188,282)
Other comprehensive income (loss), net of tax:				
Net change in unrealized gain (loss) on cash flow hedges	(450)	37	—	37
Other comprehensive income (loss), net of tax	(450)	37	—	37
Comprehensive loss, net of tax	<u>\$ (23,358)</u>	<u>\$ (82,464)</u>	<u>\$ (293,834)</u>	<u>\$ (188,245)</u>

See accompanying notes to unaudited condensed consolidated financial statements

MARVELL TECHNOLOGY GROUP LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except per share amounts)

	Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance at February 1, 2020	663,481	\$ 1,328	\$ 6,135,939	\$ —	\$ 2,541,313	\$ 8,678,580
Issuance of common shares in connection with equity incentive plans	2,993	5	5,466	—	—	5,471
Tax withholdings related to net share settlement of restricted stock units	—	—	(31,498)	—	—	(31,498)
Share-based compensation	—	—	60,199	—	—	60,199
Repurchase of common stock	(1,251)	(3)	(25,199)	—	—	(25,202)
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(39,763)	(39,763)
Net loss	—	—	—	—	(113,033)	(113,033)
Other comprehensive income	—	—	—	868	—	868
Balance at May 2, 2020	<u>665,223</u>	<u>\$ 1,330</u>	<u>\$ 6,144,907</u>	<u>\$ 868</u>	<u>\$ 2,388,517</u>	<u>\$ 8,535,622</u>
Issuance of common shares in connection with equity incentive plans	4,794	10	42,763	—	—	42,773
Tax withholdings related to net share settlement of restricted stock units	—	—	(25,212)	—	—	(25,212)
Share-based compensation	—	—	62,784	—	—	62,784
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(40,119)	(40,119)
Net loss	—	—	—	—	(157,893)	(157,893)
Other comprehensive loss	—	—	—	(418)	—	(418)
Balance at August 1, 2020	<u>670,017</u>	<u>\$ 1,340</u>	<u>\$ 6,225,242</u>	<u>\$ 450</u>	<u>\$ 2,190,505</u>	<u>\$ 8,417,537</u>
Issuance of common shares in connection with equity incentive plans	1,720	3	2,251	—	—	2,254
Tax withholdings related to net share settlement of restricted stock units	—	—	(25,911)	—	—	(25,911)
Share-based compensation	—	—	59,324	—	—	59,324
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(40,229)	(40,229)
Net loss	—	—	—	—	(22,908)	(22,908)
Other comprehensive income	—	—	—	(450)	—	(450)
Balance at October 31, 2020	<u>671,737</u>	<u>\$ 1,343</u>	<u>\$ 6,260,906</u>	<u>\$ —</u>	<u>\$ 2,127,368</u>	<u>\$ 8,389,617</u>

	Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance at February 2, 2019	658,514	\$ 1,317	\$ 6,188,598	\$ —	\$ 1,116,495	\$ 7,306,410
Issuance of common shares in connection with equity incentive plans	5,120	11	30,985	—	—	30,996
Tax withholdings related to net share settlement of restricted stock units	—	—	(28,756)	—	—	(28,756)
Share-based compensation	—	—	59,422	—	—	59,422
Repurchase of common stock	(2,359)	(5)	(50,018)	—	—	(50,023)
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(39,467)	(39,467)
Net loss	—	—	—	—	(48,450)	(48,450)
Balance at May 4, 2019	<u>661,275</u>	<u>\$ 1,323</u>	<u>\$ 6,200,231</u>	<u>\$ —</u>	<u>\$ 1,028,578</u>	<u>\$ 7,230,132</u>
Issuance of common shares in connection with equity incentive plans	6,167	12	50,494	—	—	50,506
Tax withholdings related to net share settlement of restricted stock units	—	—	(32,881)	—	—	(32,881)
Share-based compensation	—	—	64,117	—	—	64,117
Issuance of warrant for common stock	—	—	3,407	—	—	3,407
Repurchase of common stock	(627)	(1)	(14,248)	—	—	(14,249)
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(39,889)	(39,889)
Net loss	—	—	—	—	(57,331)	(57,331)
Balance at August 3, 2019	<u>666,815</u>	<u>\$ 1,334</u>	<u>\$ 6,271,120</u>	<u>\$ —</u>	<u>\$ 931,358</u>	<u>\$ 7,203,812</u>
Issuance of common shares in connection with equity incentive plans	3,479	7	21,562	—	—	21,569
Tax withholdings related to net share settlement of restricted stock units	—	—	(19,217)	—	—	(19,217)
Share-based compensation	—	—	66,738	—	—	66,738
Replacement equity awards attributable to pre-acquisition service	—	—	15,520	—	—	15,520
Cash dividends declared and paid (\$0.06 per share)	—	—	—	—	(40,140)	(40,140)
Net loss	—	—	—	—	(82,501)	(82,501)
Other comprehensive loss	—	—	—	37	—	37
Balance at November 2, 2019	<u>670,294</u>	<u>\$ 1,341</u>	<u>\$ 6,355,723</u>	<u>\$ 37</u>	<u>\$ 808,717</u>	<u>\$ 7,165,818</u>

See accompanying notes to unaudited condensed consolidated financial statements

MARVELL TECHNOLOGY GROUP LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended	
	October 31, 2020	November 2, 2019
Cash flows from operating activities:		
Net loss	\$ (293,834)	\$ (188,282)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	149,922	112,662
Share-based compensation	182,060	189,036
Amortization of acquired intangible assets	333,934	253,467
Amortization of inventory fair value adjustment associated with acquisitions	17,284	3,316
Restructuring related impairment charges	123,559	16,243
Other expense, net	23,080	14,814
Changes in assets and liabilities:		
Accounts receivable	2,075	8,374
Inventories	29,817	(30,602)
Prepaid expenses and other assets	(8,692)	(11,039)
Accounts payable	34,768	30,801
Accrued liabilities and other non-current liabilities	26,817	(106,258)
Accrued employee compensation	38,202	11,927
Net cash provided by operating activities	<u>658,992</u>	<u>304,459</u>
Cash flows from investing activities:		
Sales of available-for-sale securities	—	18,832
Purchases of technology licenses	(8,476)	(1,936)
Purchases of property and equipment	(88,242)	(62,935)
Cash payment for acquisition, net of cash and cash equivalents acquired	—	(477,579)
Other, net	223	(1,793)
Net cash used in investing activities	<u>(96,495)</u>	<u>(525,411)</u>
Cash flows from financing activities:		
Repurchases of common stock	(25,202)	(64,272)
Proceeds from employee stock plans	50,490	103,109
Tax withholding paid on behalf of employees for net share settlement	(82,626)	(80,862)
Dividend payments to shareholders	(120,111)	(119,496)
Payments on technology license obligations	(76,794)	(57,213)
Proceeds from issuance of debt	—	350,000
Principal payments of debt	(100,000)	(50,000)
Payment of debt financing costs	(22,313)	—
Other, net	(1,504)	(4,355)
Net cash provided by (used in) financing activities	<u>(378,060)</u>	<u>76,911</u>
Net increase (decrease) in cash and cash equivalents	184,437	(144,041)
Cash and cash equivalents at beginning of period	647,604	582,410
Cash and cash equivalents at end of period	<u>\$ 832,041</u>	<u>\$ 438,369</u>

See accompanying notes to unaudited condensed consolidated financial statements

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The unaudited condensed consolidated financial statements of Marvell Technology Group Ltd., a Bermuda exempted company, and its wholly owned subsidiaries (the “Company”), as of and for the three and nine months ended October 31, 2020, have been prepared as required by the U.S. Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) have been condensed or omitted as permitted by the SEC. These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the Company’s fiscal year 2020 audited financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended February 1, 2020. In the opinion of management, the financial statements include all adjustments, including normal recurring adjustments and other adjustments, that are considered necessary for fair presentation of the Company’s financial position and results of operations. All inter-company accounts and transactions have been eliminated. Operating results for the periods presented herein are not necessarily indicative of the results that may be expected for the entire year. Certain prior year amounts have been reclassified to conform to current year presentation. These amounts were not material to any of the periods presented. These financial statements should also be read in conjunction with the Company’s critical accounting policies included in the Company’s Annual Report on Form 10-K for the year ended February 1, 2020 and those included in this Form 10-Q below.

The Company’s fiscal year is the 52- or 53-week period ending on the Saturday closest to January 31. Accordingly, every fifth or sixth fiscal year will have a 53-week period. The additional week in a 53-week year is added to the fourth quarter, making such quarter consist of 14 weeks. Fiscal 2020 had a 52-week year. Fiscal 2021 is a 52-week year.

On October 29, 2020, the Company entered into a merger agreement (the “Merger Agreement”) with Inphi Corporation (“Inphi”), whereby the Company will pay Inphi’s stockholders \$66 per share in cash and 2.323 common shares for each Inphi share, which represents purchase consideration of approximately \$10 billion. The Company intends to fund the cash consideration with \$4.0 billion in debt financing, and has obtained commitments consisting of a \$2.5 billion bridge loan commitment, a \$750 million 3-year term loan facility commitment and a \$750 million 5-year term loan facility commitment from JP Morgan Chase Bank, N.A., in each case subject to customary terms and conditions. The transaction is not subject to any financing condition. The Company has recorded \$22.3 million of associated deferred debt financing costs, with \$11.2 million recorded in prepaid expenses and other current assets and \$11.1 million recorded in other non-current assets on the accompanying unaudited condensed consolidated balance sheet as of October 31, 2020.

The transaction is expected to close in the second half of calendar 2021, pending approval by Inphi’s and the Company’s stockholders, as well as regulatory approval and satisfaction of other customary closing conditions. As a result of the transaction, the parent company will be domiciled in the United States upon closing of the transaction. For periods after closing, the combined company will be subject to taxation in the United States, which may adversely impact the Company’s future effective tax rates and tax liabilities. A fee of up to \$460 million may be payable by the Company or \$300 million payable by Inphi upon termination of the transaction, as more fully described in the Merger Agreement. If the Merger Agreement is terminated due to failure to obtain stockholder approval, the party whose stockholders did not approve the transaction will be obligated to reimburse the other party up to \$25 million for its merger related fees and costs.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to revenue recognition, provisions for sales returns and allowances, inventory excess and obsolescence, goodwill and other intangible assets, restructuring, income taxes, litigation and other contingencies. Actual results could differ from these estimates and such differences could affect the results of operations reported in future periods. In the current macroeconomic environment affected by COVID-19, these estimates require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, these estimates may change materially in future periods.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 2. Recent Accounting Pronouncements***Accounting Pronouncements Recently Adopted***

In June 2016, the Financial Accounting Standards Board (“FASB”) issued a new standard requiring financial assets measured at amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The standard eliminates the probable initial recognition threshold and reflects an entity’s current estimate of all expected credit losses. The measurement of expected credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets. The new standard was adopted by the Company on February 2, 2020 and did not have a material effect on the Company’s consolidated financial statements.

In August 2018, the FASB issued an accounting standards update to align the requirements for capitalizing implementation costs incurred in a software hosting arrangement that is a service contract and costs to develop or obtain internal-use software. The new standard was adopted by the Company on February 2, 2020 on a prospective basis and did not have a material effect on the Company’s consolidated financial statements.

In August 2018, the FASB issued an accounting standards update that modifies the disclosure requirements on fair value measurements. The new guidance adds, modifies and removes certain fair value measurement disclosure requirements. The new standard was adopted by the Company on February 2, 2020 and did not have a material effect on the Company’s consolidated financial statements.

In November 2018, the FASB issued an accounting standards update that clarifies when transactions between participants in a collaborative arrangement are within the scope of the new revenue recognition standard that the Company adopted at the beginning of fiscal 2019. The new standard was adopted by the Company on February 2, 2020 and did not have a material effect on the Company’s consolidated financial statements.

Accounting Pronouncements Not Yet Effective

In December 2019, the FASB issued an accounting standards update that simplifies the accounting for income taxes by eliminating certain exceptions related to the approach for intraperiod tax allocation and modified the methodology for calculating income taxes in an interim period. It also clarifies and simplifies other aspects of the accounting for income taxes. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material effect on its consolidated financial statements.

Note 3. Business Combinations***Avera***

On November 5, 2019, the Company completed the acquisition of Avera, the ASIC business of GlobalFoundries. Avera is a leading provider of ASIC semiconductor solutions. The Company acquired Avera to expand its ASIC design capabilities. Total purchase consideration consisted of cash consideration paid to GlobalFoundries of \$593.5 million, net of working capital and other adjustments. An additional \$90 million in cash would have been paid to acquire additional assets if certain conditions were satisfied. GlobalFoundries and the Company have agreed to terminate this requirement to acquire the additional assets.

The purchase consideration allocation set forth herein is preliminary and may be revised as additional information becomes available during the measurement period of up to 12 months from the closing date of the acquisition. Any such revisions or changes may be material.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The purchase price allocation is as follows (in thousands):

Inventories	\$	106,465
Prepaid expenses and other current assets		17,495
Property and equipment, net		25,677
Acquired intangible assets, net		379,000
Other non-current assets		6,870
Goodwill		129,392
Accrued liabilities		(64,155)
Deferred tax liabilities		(6,594)
Other non-current liabilities		(650)
Total merger consideration	\$	<u>593,500</u>

The Company incurred total acquisition related costs of \$5.7 million related to the acquisition.

Aquantia Corp.

On September 19, 2019, the Company completed the acquisition of Aquantia. Aquantia is a manufacturer of high speed transceivers which includes copper and optical physical layer products. The Company acquired Aquantia to further its position in automatic in-vehicle networking and strengthen its multi-gig ethernet PHY portfolio for enterprise infrastructure, data center and access application. The total consideration paid to acquire Aquantia, which consisted of cash and share based compensation awards was approximately \$502.2 million.

The purchase price allocation is as follows (in thousands):

	Previously Reported February 1, 2020 (Provisional)	Measurement Period Adjustments	October 31, 2020
Cash and short term investments	\$ 27,914	\$ —	\$ 27,914
Inventory	33,900	—	33,900
Acquired intangible assets	193,000	—	193,000
Goodwill	227,594	(1,049)	226,545
Other non-current assets	35,123	1,049	36,172
Accrued liabilities	(21,813)	—	(21,813)
Other, net	6,471	—	6,471
Total merger consideration	\$ 502,189	\$ —	<u>502,189</u>

The previously reported provisional amounts presented in the table above pertained to the preliminary purchase price allocation reported in the Company's Form 10-K for the year ended February 1, 2020. The measurement period adjustments were primarily related to changes in estimates related to finalizing Aquantia's U.S. tax return. The Company does not believe that the measurement period adjustments had a material impact on its consolidated statements of operations, balance sheets or cash flows in any periods reported.

The Company incurred total acquisition related costs of \$5.3 million related to the acquisition.

Unaudited Supplemental Pro Forma Information

The unaudited supplemental pro forma financial information presented below is for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have been realized if the acquisitions had been completed on the date indicated, does not reflect synergies that might have been achieved, nor is it indicative of future operating results or financial position. The pro forma adjustments are based upon currently available information and certain assumptions the Company believes are reasonable under the circumstances.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following unaudited supplemental pro forma information presents the combined results of operations for each of the periods presented, as if Avera and Aquantia had been acquired as of the beginning of fiscal year 2019. The unaudited supplemental pro forma information includes adjustments to amortization and depreciation for acquired intangible assets and property and equipment, adjustments to share-based compensation expense, the purchase accounting effect on inventories acquired, interest expense, and transaction costs. The unaudited supplemental pro forma information presented below is for informational purposes only and is not necessarily indicative of our unaudited condensed consolidated results of operations of the combined business had the Avera and Aquantia acquisitions actually occurred at the beginning of fiscal year 2019 or of the results of our future operations of the combined business.

The unaudited supplemental pro forma financial information for the periods presented is as follows (in thousands):

	Nine Months Ended	
	November 2, 2019	
Pro forma net revenue	\$	2,293,879
Pro forma net loss	\$	(273,216)

Note 4. Goodwill and Acquired Intangible Assets, Net

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets acquired in a business combination. The carrying value of goodwill as of October 31, 2020 and February 1, 2020 is \$5.3 billion. See “Note 3 - Business Combinations” for discussion of the acquisitions and changes to the carrying value of goodwill.

Acquired Intangible Assets, Net

In connection with the Cavium acquisition on July 6, 2018, the Aquantia acquisition on September 19, 2019 and the Avera acquisition on November 5, 2019, the Company recognized \$3.3 billion of intangible assets. As of October 31, 2020 and February 1, 2020, net carrying amounts are as follows (in thousands, except for weighted-average remaining amortization period):

	October 31, 2020			
	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amounts	Weighted-Average Remaining Amortization Period (Years)
Developed technologies	\$ 2,441,000	\$ (640,888)	\$ 1,800,112	5.78
Customer contracts and related relationships	643,000	(203,868)	439,132	5.87
Trade names	23,000	(12,862)	10,138	2.37
Total acquired amortizable intangible assets	\$ 3,107,000	\$ (857,618)	\$ 2,249,382	5.78
IPR&D	131,000	—	131,000	n/a
Total acquired intangible assets	\$ 3,238,000	\$ (857,618)	\$ 2,380,382	

The Company regularly analyzes the results of its business to determine whether events or circumstances exist that indicate whether the carrying amount of the intangible assets may not be recoverable. During the second quarter ended August 1, 2020, impairment charges of \$50.3 million related to certain intangible assets acquired from Cavium were recognized as part of restructuring actions. The gross carrying amounts and the accumulated amortization of those impaired intangible assets were excluded from the table above. See “Note 5 - Restructuring” for additional information.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	February 1, 2020			
	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amounts	Weighted-Average Remaining Amortization Period (Years)
Developed technologies	\$ 2,511,000	\$ (413,735)	\$ 2,097,265	6.41
Customer contracts and related relationships	643,000	(128,939)	514,061	6.61
Trade names	23,000	(8,726)	14,274	2.96
Total acquired amortizable intangible assets	\$ 3,177,000	\$ (551,400)	\$ 2,625,600	6.43
IPR&D	139,000	—	139,000	n/a
Total acquired intangible assets	\$ 3,316,000	\$ (551,400)	\$ 2,764,600	

The intangible assets are amortized on a straight-line basis over the estimated useful lives, except for certain Cavium customer contracts and related relationships, which are amortized using an accelerated method of amortization over the expected customer lives, which more closely align with the pattern of realization of economic benefits expected to be obtained. The IPR&D will be accounted for as an indefinite-lived intangible asset and will not be amortized until the underlying projects reach technological feasibility and commercial production at which point the IPR&D will be amortized over the estimated useful life. Useful lives for these IPR&D projects are expected to range between 3 to 10 years. In the event the IPR&D is abandoned, the related assets will be written off.

Amortization expense for acquired intangible assets for the three and nine months ended October 31, 2020 was \$109.4 million and \$333.9 million, respectively. Amortization expense for acquired intangible assets for the three and nine months ended November 2, 2019 was \$92.8 million and \$253.5 million, respectively.

The following table presents the estimated future amortization expense of acquired amortizable intangible assets as of October 31, 2020 (in thousands):

Fiscal Year	Amount
Remainder of 2021	\$ 109,433
2022	428,015
2023	414,937
2024	393,863
2025	354,012
Thereafter	549,122
	\$ 2,249,382

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 5. Restructuring

The Company continuously evaluates its existing operations to increase operational efficiency, decrease costs and increase profitability. In November 2019, as part of the integration of the acquired Avera business, the Company initiated a restructuring plan intended to further achieve the aforementioned goals. The Company expects to complete these restructuring actions by the end of fiscal 2021.

During the second quarter ended August 1, 2020, the Company made changes to the scope of its server processor product line in response to changes in the associated market. The Company transitioned its product offering from standard server processors to the broad server market to focus only on customized server processors for a few targeted customers. This change in strategy required the Company to assess whether the carrying value of the associated assets would be recoverable. As a result of the assessment, the Company determined the carrying amount of certain impacted assets were not recoverable, which resulted in recognition of \$119.0 million of restructuring related charges associated with the server processor product during the second quarter ended August 1, 2020. The charges included \$50.3 million in impairment of acquired intangibles, \$36.0 million in purchased IP licenses and \$32.7 million in equipment and inventory impairment and other related restructuring charges. The Company expects to complete these restructuring actions by the end of fiscal 2022.

The following table provides a summary of restructuring related charges, including the impairments described above, as presented in the unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Cost of goods sold	\$ —	\$ —	\$ 9,594	\$ —
Restructuring related charges	19,312	14,802	161,189	37,070
	<u>\$ 19,312</u>	<u>\$ 14,802</u>	<u>\$ 170,783</u>	<u>\$ 37,070</u>

The following table presents details related to the restructuring related charges as presented in the unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Severance and related costs	\$ 12,300	\$ 6,874	\$ 40,125	\$ 15,501
Facilities and related costs	5,741	7,546	11,825	18,590
Other exit-related costs	1,651	535	119,858	3,991
	19,692	14,955	171,808	38,082
Release of reserves:				
Severance	(367)	(12)	(908)	(12)
Facilities and related costs	(10)	(141)	(114)	(873)
Other exit-related costs	(3)	—	(3)	(127)
	<u>\$ 19,312</u>	<u>\$ 14,802</u>	<u>\$ 170,783</u>	<u>\$ 37,070</u>

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table sets forth a reconciliation of the beginning and ending restructuring liability balances by each major type of cost associated with the restructuring charges (in thousands):

	Severance and Related Costs	Facilities and Related Costs	Other Exit-Related Costs	Total
Balance at February 1, 2020	\$ 13,228	\$ 653	\$ 547	\$ 14,428
Restructuring charges (1)	40,125	3,391	6,622	50,138
Release of reserves	(367)	(114)	(3)	(484)
Net cash payments	(35,321)	(3,866)	(3,310)	(42,497)
Exchange rate adjustment	(13)	—	—	(13)
Balance at October 31, 2020 (1)	17,652	64	3,856	21,572
Less: non-current portion	—	64	589	653
Current portion	\$ 17,652	\$ —	\$ 3,267	\$ 20,919

(1) Impairment charges of \$112.1 million, recognized in the second quarter ended August 1, 2020, associated with the server processor product line were recorded directly to the unaudited condensed consolidated statement of operations and were not included in the above liabilities.

The remaining accrued severance and related costs are expected to be paid in fiscal 2022. The remaining other exit-related costs includes impairment charges associated with the future maintenance support for the sever processor product line that are expected to be paid through fiscal 2024.

Note 6. Revenue

The majority of the Company's revenue is generated from sales of the Company's products. The following table summarizes net revenue disaggregated by product group (in thousands, except percentages):

	Three Months Ended				Nine Months Ended			
	October 31, 2020	% of Total	November 2, 2019	% of Total	October 31, 2020	% of Total	November 2, 2019	% of Total
Net revenue by product group:								
Networking (1)	\$ 444,756	59 %	\$ 329,962	50 %	\$ 1,244,684	57 %	\$ 1,000,911	51 %
Storage (2)	276,279	37 %	287,708	43 %	825,462	38 %	841,280	42 %
Other (3)	29,108	4 %	44,800	7 %	100,935	5 %	139,299	7 %
	<u>\$ 750,143</u>		<u>\$ 662,470</u>		<u>\$ 2,171,081</u>		<u>\$ 1,981,490</u>	

(1) Networking products are comprised primarily of Ethernet Solutions, Embedded Processors and Custom ASICs.

(2) Storage products are comprised primarily of Storage Controllers and Fibre Channel Adapters.

(3) Other products are comprised primarily of Printer Solutions.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table summarizes net revenue disaggregated by primary geographical market based on destination of shipment (in thousands, except percentages):

	Three Months Ended				Nine Months Ended			
	October 31, 2020	% of Total	November 2, 2019	% of Total	October 31, 2020	% of Total	November 2, 2019	% of Total
Net revenue based on destination of shipment:								
China	\$ 324,927	43 %	\$ 258,028	39 %	\$ 908,255	42 %	\$ 790,473	40 %
United States	73,751	10 %	61,772	9 %	241,814	11 %	190,357	10 %
Malaysia	73,582	10 %	53,551	8 %	198,436	9 %	152,890	8 %
Thailand	55,617	7 %	59,112	9 %	183,625	8 %	169,289	9 %
Philippines	44,356	6 %	51,710	8 %	118,485	5 %	174,484	9 %
Japan	32,811	4 %	41,149	6 %	104,676	5 %	121,239	6 %
Other	145,099	20 %	137,148	21 %	415,790	20 %	382,758	18 %
	<u>\$ 750,143</u>		<u>\$ 662,470</u>		<u>\$ 2,171,081</u>		<u>\$ 1,981,490</u>	

These destinations of shipment are not necessarily indicative of the geographic location of the Company's end customers or the country in which the Company's end customers sell devices containing the Company's products. For example, a substantial majority of the shipments made to China relate to sales to non-China based customers that have factories or contract manufacturing operations located within China.

The following table summarizes net revenue disaggregated by customer type (in thousands, except percentages):

	Three Months Ended				Nine Months Ended			
	October 31, 2020	% of Total	November 2, 2019	% of Total	October 31, 2020	% of Total	November 2, 2019	% of Total
Net revenue by customer type:								
Direct customers	\$ 573,759	76 %	\$ 476,253	72 %	\$ 1,646,511	76 %	\$ 1,475,554	74 %
Distributors	176,384	24 %	186,217	28 %	524,570	24 %	505,936	26 %
	<u>\$ 750,143</u>		<u>\$ 662,470</u>		<u>\$ 2,171,081</u>		<u>\$ 1,981,490</u>	

Contract Liabilities

Contract liabilities consist of the Company's obligation to transfer goods or services to a customer for which the Company has received consideration or the amount is due from the customer. As of October 31, 2020, contract liability balances are comprised of variable consideration estimated based on a portfolio basis using the expected value methodology based on analysis of historical data, current economic conditions, and contractual terms. Variable consideration estimates consist of the estimated returns, price discounts, price protection, rebates, and stock rotation programs. As of the end of a reporting period, some of the performance obligations associated with contracts will have been unsatisfied or only partially satisfied. In accordance with the practical expedients available in the guidance, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less. Contract liabilities are included in accrued liabilities in the unaudited condensed consolidated balance sheets.

The opening balance of contract liabilities at the beginning of the first quarter of fiscal year 2021 was \$111.5 million. During the nine months ended October 31, 2020, contract liabilities increased by \$617.7 million associated with variable consideration estimates, offset by \$596.3 million decrease in such reserves primarily due to credit memos issued to customers. The ending balance of contract liabilities as of the third quarter of fiscal year 2021 was \$132.9 million. The amount of revenue recognized during the nine months ended October 31, 2020 that was included in the contract liabilities balance at February 1, 2020 was not material.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Sales Commissions

The Company has elected to apply the practical expedient to expense commissions when incurred as the amortization period is typically one year or less. These costs are recorded in selling, general and administrative expenses in the unaudited condensed consolidated statements of operations.

Note 7. Supplemental Financial Information (in thousands)

Consolidated Balance Sheets

	October 31, 2020	February 1, 2020
Inventories:		
Work-in-process	\$ 181,961	\$ 216,496
Finished goods	86,435	106,484
Inventories	<u>\$ 268,396</u>	<u>\$ 322,980</u>

	October 31, 2020	February 1, 2020
Property and equipment, net:		
Machinery and equipment	\$ 677,843	\$ 686,351
Land, buildings, and leasehold improvements	288,859	285,084
Computer software	101,955	100,613
Furniture and fixtures	27,152	24,582
	<u>1,095,809</u>	<u>1,096,630</u>
Less: Accumulated depreciation and amortization	(764,040)	(739,538)
Property and equipment, net	<u>\$ 331,769</u>	<u>\$ 357,092</u>

	October 31, 2020	February 1, 2020
Other non-current assets:		
Technology and other licenses	\$ 218,666	\$ 277,634
Operating right-of-use assets	108,659	110,907
Prepaid ship and debit *	88,989	75,362
Other	53,788	32,947
Other non-current assets	<u>\$ 470,102</u>	<u>\$ 496,850</u>

* Prepaid ship and debit of \$89.0 million and \$75.4 million as of October 31, 2020 and February 1, 2020, respectively, relate to certain prepaid distributor arrangements for ship and debit claims.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	October 31, 2020	February 1, 2020
Accrued liabilities:		
Contract liabilities	\$ 132,850	\$ 111,486
Technology license obligations	81,182	71,623
Deferred non-recurring engineering credits	47,804	51,109
Lease liabilities-current	32,134	28,662
Accrued restructuring	20,919	14,302
Deferred revenue	19,466	5,647
Accrued interest	19,085	7,892
Other	53,546	55,918
Accrued liabilities	<u>\$ 406,986</u>	<u>\$ 346,639</u>

	October 31, 2020	February 1, 2020
Other non-current liabilities		
Lease liabilities-non current	\$ 111,760	\$ 115,778
Technology license obligations	72,896	107,893
Deferred tax liabilities	37,645	31,233
Non-current income tax payable	26,263	37,983
Other	25,706	12,578
Other non-current liabilities	<u>\$ 274,270</u>	<u>\$ 305,465</u>

Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income by components for the current period are presented in the following table:

	Unrealized Gain (Loss) on Cash Flow Hedges
Balance at February 1, 2020	\$ —
Other comprehensive income before reclassifications	1,214
Amounts reclassified from accumulated other comprehensive income	(1,214)
Net current-period other comprehensive income, net of tax	—
Balance at October 31, 2020	<u>\$ —</u>

	Unrealized Gain (Loss) on Cash Flow Hedges
Balance at February 2, 2019	\$ —
Other comprehensive income before reclassifications	—
Amounts reclassified from accumulated other comprehensive income	37
Net current-period other comprehensive income, net of tax	37
Balance at November 2, 2019	<u>\$ 37</u>

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Share Repurchase Program

On November 17, 2016, the Company announced that its Board of Directors authorized a \$1.0 billion share repurchase plan. The newly authorized stock repurchase program replaced in its entirety the prior \$3.25 billion stock repurchase program. On October 16, 2018, the Company announced that its Board of Directors authorized a \$700 million addition to the balance of its existing share repurchase program. As of October 31, 2020, there was \$564.5 million remaining available for future share repurchases. The Company intends to effect share repurchases in accordance with the conditions of Rule 10b-18 under the Exchange Act, but may also make repurchases in the open market outside of Rule 10b-18 or in privately negotiated transactions. The share repurchase program will be subject to market conditions and other factors, and does not obligate the Company to repurchase any dollar amount or number of its common shares and the repurchase program may be extended, modified, suspended or discontinued at any time.

The Company repurchased 1.3 million of its common shares for \$25.2 million during the nine months ended October 31, 2020. The Company temporarily suspended the share repurchase program in late March 2020 as the Company believed it was prudent to strengthen its liquidity to increase its cash balance during the macroeconomic environment affected by COVID-19. The share repurchase program remains temporarily suspended in anticipation of the funding of the Company's acquisition of Inphi. As a result, the Company did not repurchase any shares during the three months ended October 31, 2020. The Company repurchased 3.0 million of its common shares for \$64.3 million during the nine months ended November 2, 2019. The Company records all repurchases, as well as investment purchases and sales, based on their trade date. The repurchased shares are retired immediately after repurchases are completed.

Note 8. Fair Value Measurements

Fair value is an exit price representing the amount that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1—Observable inputs that reflect quoted prices for identical assets or liabilities in active markets.

Level 2—Other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company's Level 1 assets include institutional money-market funds that are classified as cash equivalents and which are valued primarily using quoted market prices. The Company's Level 2 assets include time deposits, as the market inputs used to value these instruments consist of market yields. In addition, the severance pay fund is classified as a Level 2 asset as the valuation inputs are based on quoted prices and market observable data of similar instruments.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The tables below set forth, by level, the Company's assets and liabilities that are measured at fair value on a recurring basis. The tables do not include assets and liabilities that are measured at historical cost or any basis other than fair value (in thousands):

	Fair Value Measurements at October 31, 2020			
	Level 1	Level 2	Level 3	Total
Items measured at fair value on a recurring basis:				
Assets				
Cash equivalents:				
Time deposits	\$ —	\$ 132,456	\$ —	\$ 132,456
Other non-current assets:				
Severance pay fund	—	588	—	588
Total assets	\$ —	\$ 133,044	\$ —	\$ 133,044

	Fair Value Measurements at February 1, 2020			
	Level 1	Level 2	Level 3	Total
Items measured at fair value on a recurring basis:				
Assets				
Cash equivalents:				
Money market funds	\$ 46,355	\$ —	\$ —	\$ 46,355
Time deposits	—	88,177	—	88,177
Other non-current assets:				
Severance pay fund	—	693	—	693
Total assets	\$ 46,355	\$ 88,870	\$ —	\$ 135,225

Fair Value of Debt

The Company classified the Term Loan, the 2023 Notes and 2028 Notes under Level 2 of the fair value measurement hierarchy. The carrying value of the Term Loan approximates its fair value as the Term Loan is carried at a market observable interest rate that resets periodically. The estimated aggregate fair value of the 2023 Notes and 2028 Notes was \$1.1 billion at October 31, 2020 and at February 1, 2020, and were classified as Level 2 as there are quoted prices from less active markets for the notes.

Note 9. Debt

In connection with the acquisition of Cavium, the Company executed debt agreements in June 2018 to obtain a \$900.0 million term loan, a \$500.0 million revolving credit facility and \$1.0 billion of senior unsecured notes.

Term Loan and Revolving Credit Facility

On June 13, 2018, the Company entered into a credit agreement ("Credit Agreement") with twelve lenders. The Credit Agreement provides for borrowings of: (i) up to \$500.0 million in the form of a revolving line of credit ("Revolving Credit Facility") and (ii) \$900.0 million in the form of a term loan ("Term Loan"). The proceeds of the Term Loan were used to fund a portion of the cash consideration for the Cavium acquisition, repay Cavium's debt, and pay transaction expenses in connection with the Cavium acquisition. The proceeds of the Revolving Credit Facility are intended for general corporate purposes of the Company and its subsidiaries, which may include, among other things, the financing of acquisitions, the refinancing of other indebtedness and the payment of transaction expenses related to the foregoing. As of October 31, 2020, there was no outstanding balance related to the Revolving Credit Facility. Following is further detail of the terms of the various debt agreements.

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The Term Loan has a three year term which matures on July 6, 2021 and has a stated floating interest rate which equates to reserve-adjusted LIBOR + 137.5 bps. The effective interest rate for the Term Loan was 3.684% as of October 31, 2020. The Term Loan does not require any scheduled principal payments prior to final maturity but does permit the Company to make early principal payments without premium or penalty. During the three months ended October 31, 2020, the Company repaid \$100.0 million of the principal outstanding and wrote off \$0.3 million of associated unamortized debt issuance costs. The Revolving Credit Facility has a five year term and has a stated floating interest rate which equates to reserve-adjusted LIBOR + 150.0 bps. As of October 31, 2020, the full amount of the Revolving Credit Facility of \$500.0 million was undrawn and will be available for draw down through June 13, 2023. An unused commitment fee is payable quarterly based on unused balances at a rate that is based on the ratings of the Company's senior unsecured long-term indebtedness. This rate was 0.175% at October 31, 2020.

The Company currently carries debt that rely on the LIBOR as the benchmark rate, with the Term Loan maturing on July 6, 2021. LIBOR is expected to be phased out as a benchmark rate by the end of 2021. The Company expects its debt to continue to use LIBOR until the rate is no longer available or a relevant governmental authority makes a public statement that LIBOR will no longer be available after a certain date. To the extent LIBOR ceases to exist, the Company will need to amend its credit agreements that utilize LIBOR as a factor in determining the interest rate. Currently, there is not a firm timeframe for this change. This update currently has no foreseeable impact on the Company's unaudited condensed consolidated financial statements; however, it may have an effect in the future.

The Credit Agreement requires that the Company and its subsidiaries comply, subject to certain exceptions, with covenants relating to customary matters such as creating or permitting certain liens, entering into sale and leaseback transactions, consolidating, merging, liquidating or dissolving, and entering into restrictive agreements. It also prohibits subsidiaries of the Company from incurring additional indebtedness, and requires the Company to comply with a leverage ratio financial covenant as of the end of any fiscal quarter. As of October 31, 2020, the Company was in compliance with all of its debt covenants.

Senior Unsecured Notes

On June 22, 2018, the Company completed a public offering of (i) \$500.0 million aggregate principal amount of the Company's 4.200% Senior Notes due 2023 (the "2023 Notes") and (ii) \$500.0 million aggregate principal amount of the Company's 4.875% Senior Notes due 2028 (the "2028 Notes" and, together with the 2023 Notes, the "Senior Notes").

The 2023 Notes mature on June 22, 2023 and the 2028 Notes mature on June 22, 2028. The stated and effective interest rates for the 2023 Notes are 4.200% and 4.423%, respectively. The stated and effective interest rates for the 2028 Notes are 4.875% and 5.012%, respectively. The Company may redeem the Senior Notes, in whole or in part, at any time prior to their maturity at the redemption prices set forth in Senior Notes. In addition, upon the occurrence of a change of control repurchase event (which involves the occurrence of both a change of control and a ratings event involving the Senior Notes being rated below investment grade), the Company will be required to make an offer to repurchase the Senior Notes at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the repurchase date. The indenture governing the Senior Notes also contains certain limited covenants restricting the Company's ability to incur certain liens, enter into certain sale and leaseback transactions and merge or consolidate with any other entity or convey, transfer or lease all or substantially all of the Company's properties or assets to another person, which, in each case, are subject to certain qualifications and exceptions.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Summary of Borrowings and Outstanding Debt

The following table summarizes the Company's outstanding debt at October 31, 2020 and February 1, 2020 (in thousands):

	October 31, 2020	February 1, 2020
Face Value Outstanding:		
Term Loan	\$ 350,000	\$ 450,000
2023 Notes	500,000	500,000
2028 Notes	500,000	500,000
Total borrowings	\$ 1,350,000	\$ 1,450,000
Less: Unamortized debt discount and issuance cost	(8,195)	(10,976)
Net carrying amount of debt	\$ 1,341,805	\$ 1,439,024
Less: Current portion (1)	349,004	—
Non-current portion	\$ 992,801	\$ 1,439,024

(1) As of October 31, 2020, the current portion of outstanding debt includes the Term Loan, which is due within twelve months. The Company intends to repay the amount with operating cash flow.

During the three and nine months ended October 31, 2020, the Company recognized \$14.1 million and \$43.6 million of interest expense in its unaudited condensed consolidated statements of operations related to interest, amortization of debt issuance costs and accretion of discount associated with the outstanding Term Loan and Senior Notes, respectively.

During the three and nine months ended November 2, 2019, the Company recognized \$20.6 million and \$59.8 million of interest expense in its unaudited condensed consolidated statements of operations related to interest, amortization of debt issuance costs and accretion of discount associated with the outstanding Term Loan and Senior Notes, respectively.

As of October 31, 2020, the aggregate future contractual maturities of the Company's outstanding debt, at face value, were as follows (in thousands):

Fiscal Year	Amount	
Remainder of 2021	\$	—
2022		350,000
2023		—
2024		500,000
2025		—
Thereafter		500,000
Total	\$	1,350,000

Note 10. Commitments and Contingencies

Purchase Commitments

Under the Company's manufacturing relationships with its foundry partners, cancellation of outstanding purchase orders is allowed but requires payment of all costs and expenses incurred through the date of cancellation. As of October 31, 2020, these foundries had incurred approximately \$237.8 million of manufacturing costs and expenses relating to the Company's outstanding purchase orders.

Contingencies and Legal Proceedings

The Company currently is, and may from time to time become, a party to claims, lawsuits, governmental inquiries, inspections or investigations and other legal proceedings (collectively, "Legal Matters") arising in the course of its business. Such Legal Matters, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company is currently unable to predict the final outcome of its pending Legal Matters and therefore cannot determine the likelihood of loss or estimate a range of possible loss, except with respect to amounts where it has determined a loss is both probable and estimable and has made an accrual. The Company evaluates, at least on a quarterly basis, developments in its Legal Matters that could affect the amount of any accrual, as well as any developments that would result in a loss contingency to become both probable and reasonably estimable. The ultimate outcome of any Legal Matter involves judgments, estimates and inherent uncertainties. An unfavorable outcome in a Legal Matter, particularly in a patent dispute, could require the Company to pay damages or could prevent the Company from selling some of its products in certain jurisdictions. While the Company cannot predict with certainty the results of the Legal Matters in which it is currently involved, the Company does not expect that the ultimate costs to resolve these Legal Matters will individually or in the aggregate have a material adverse effect on its financial condition, however, there can be no assurance that the current or any future Legal Matters will be resolved in a manner that is not adverse to the Company's business, financial condition, results of operations or cash flows.

Indemnities, Commitments and Guarantees

During its normal course of business, the Company has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities may include indemnities for general commercial obligations, indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, and indemnities to directors and officers of the Company to the maximum extent permitted under the laws of Bermuda. In addition, the Company has contractual commitments to various customers, which could require the Company to incur costs to repair an epidemic defect with respect to its products outside of the normal warranty period if such defect were to occur. The duration of these indemnities, commitments and guarantees varies, and in certain cases, is indefinite. Some of these indemnities, commitments and guarantees do not provide for any limitation of the maximum potential future payments that the Company could be obligated to make. In general, the Company does not record any liability for these indemnities, commitments and guarantees in the accompanying unaudited condensed consolidated balance sheets as the amounts cannot be reasonably estimated and are not considered probable. The Company does, however, accrue for losses for any known contingent liability, including those that may arise from indemnification provisions, when future payment is probable and estimable.

Intellectual Property Indemnification

In addition to the above indemnities, the Company has agreed to indemnify certain customers for claims made against the Company's products where such claims allege infringement of third-party intellectual property rights, including, but not limited to, patents, registered trademarks, and/or copyrights. Under the aforementioned indemnification clauses, the Company may be obligated to defend the customer and pay for the damages awarded against the customer as well as the attorneys' fees and costs under an infringement claim. The Company's indemnification obligations generally do not expire after termination or expiration of the agreement containing the indemnification obligation. Generally, there are limits on and exceptions to the Company's potential liability for indemnification. Historically the Company has not made significant payments under these indemnification obligations and the Company cannot estimate the amount of potential future payments, if any, that it might be required to make as a result of these agreements. The maximum potential amount of any future payments that the Company could be required to make under these indemnification obligations could be significant.

Note 11. Income Tax

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period. The Company's quarterly tax provision, and estimate of its annual effective tax rate, is subject to variation due to several factors, including variability in accurately predicting our pre-tax income or loss and the mix of jurisdictions to which they relate, intercompany transactions, changes in tax laws, the applicability of special tax regimes, changes in how we do business, and acquisitions, as well as the integration of such acquisitions.

The Company's estimated effective tax rate for the year differs from the U.S. statutory rate of 21% primarily due to a substantial portion of its earnings being taxed at rates lower than the U.S. statutory rate. The Company's negative effective tax rate is the result of anticipated annual income tax expense attributed to certain jurisdictions which have pretax income. The Company's effective tax rate was adversely affected by pre-tax losses in certain non-U.S. tax jurisdictions that are benefited at tax rates that are lower than 21%. These losses significantly reduce the Company's pre-tax income without a corresponding reduction in its tax expense, and can therefore increase its effective tax rate in periods with pre-tax income, or cause a negative effective tax rate in periods where there is an income tax expense and a pre-tax loss.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was enacted into US federal law on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary changes to the prior and future limitations on interest deductions, and technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property. The Company evaluated the provisions of the CARES Act and does not anticipate any material impact on its financial statements. The tax effects of other related foreign government assistance enacted into law this period are also not material to the Company this period.

The income tax benefit of \$1.6 million for the three months ended October 31, 2020 includes a current tax benefit of \$1.9 million primarily as a result of losses incurred on a year to date basis.

The income tax benefit of \$5.5 million for the nine months ended October 31, 2020 includes a tax benefit from a net reduction in unrecognized tax benefits of \$15.0 million and a tax benefit attributable to the Company's asset impairment of \$10.8 million, offset by \$17.4 million of current tax expense.

It is reasonably possible that the amount of unrecognized tax benefits could increase or decrease significantly due to changes in tax law in various jurisdictions, new tax audits and changes in the U.S. dollar as compared to foreign currencies within the next 12 months. Excluding these factors, it is reasonably possible that uncertain tax positions may decrease by as much as \$5.3 million from the lapse of statutes of limitation in various jurisdictions during the next 12 months. Government tax authorities from several non-U.S. jurisdictions are also examining the Company's tax returns. The Company believes that it has adequately provided for any reasonably foreseeable outcomes related to its tax audits and that any settlement will not have a material effect on its results or financial position at this time.

The Company operates under tax incentives in certain countries that may be extended and/or renewed if certain additional requirements are satisfied. The tax incentives are conditional upon meeting certain employment and investment thresholds. There were no cash tax benefits as a result of these tax incentives on foreign taxes for the three and nine months ended October 31, 2020, but foreign taxes were decreased by \$1.0 million and \$2.7 million for the three and nine months ended November 2, 2019, respectively. The benefit of the tax incentives on net income per share was less than \$0.01 per share for the three and nine months ended November 2, 2019.

The Company's principal source of liquidity as of October 31, 2020 consisted of approximately \$832.0 million of cash and cash equivalents, of which approximately \$694.1 million was held by subsidiaries outside of Bermuda. The Company has not recognized a deferred tax liability on \$280.9 million of these assets as those amounts are deemed to be indefinitely reinvested. The Company plans to use such amounts to fund various activities outside of Bermuda, including working capital requirements, capital expenditures for expansion, funding of future acquisitions or other financing activities.

On October 29, 2020, the Company entered into a merger agreement with Inphi Corporation. As a result of this transaction, upon closing, the parent company will be domiciled in the United States and not Bermuda. Therefore, for periods after closing, the combined group will be subject to taxation in the United States, which may adversely impact future effective tax rates and tax liabilities.

MARVELL TECHNOLOGY GROUP LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Note 12. Net Loss Per Share

The Company reports both basic net loss per share, which is based on the weighted-average number of common shares outstanding during the period, and diluted net loss per share, which is based on the weighted-average number of common shares outstanding and potentially dilutive shares outstanding during the period.

The computations of basic and diluted net loss per share are presented in the following table (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Numerator:				
Net loss	\$ (22,908)	\$ (82,501)	\$ (293,834)	\$ (188,282)
Denominator:				
Weighted-average shares — basic	670,487	668,178	667,186	667,184
Effect of dilutive securities:				
Share-based awards	—	—	—	—
Weighted-average shares — diluted	<u>670,487</u>	<u>668,178</u>	<u>667,186</u>	<u>667,184</u>
Net loss per share:				
Basic	\$ (0.03)	\$ (0.12)	\$ (0.44)	\$ (0.28)
Diluted	\$ (0.03)	\$ (0.12)	\$ (0.44)	\$ (0.28)

Potential dilutive securities include dilutive common shares from share-based awards attributable to the assumed exercise of stock options, restricted stock units and employee stock purchase plan shares using the treasury stock method. Under the treasury stock method, potential common shares outstanding are not included in the computation of diluted net income per share if their effect is anti-dilutive.

Anti-dilutive potential shares are presented in the following table (in thousands):

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Weighted-average shares outstanding:				
Share-based awards	12,456	13,000	10,401	13,380

Anti-dilutive potential shares from share-based awards are excluded from the calculation of diluted earnings per share for all periods reported above because either their exercise price exceeded the average market price during the period or the share-based awards were determined to be anti-dilutive based on applying the treasury stock method. Anti-dilutive potential shares from share based awards are excluded from the calculation of diluted earnings per share for the three and nine months ended October 31, 2020 and November 2, 2019 due to the net losses reported in those periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results to differ materially from those implied by the forward-looking statements. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "seeks," "estimates," "forecasts," "targets," "may," "can," "will," "would" and similar expressions identify such forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Factors that could cause actual results to differ materially from those predicted include, but are not limited to:

- the impact of the COVID-19 pandemic or other future pandemics, on the global economy and on our customers, suppliers, employees and business;
- our ability to complete our planned merger with Inphi Corporation, on a timely basis, or at all;
- our ability to realize anticipated synergies in connection with the Inphi merger;
- our ability to define, design and develop products for the infrastructure and 5G market and to market and sell those products to infrastructure customers;
- the impact of international conflict, trade relations between the U.S. and other countries, and continued economic volatility in either domestic or foreign markets;
- the impact and costs associated with changes in international financial and regulatory conditions such as the addition of new trade restrictions, tariffs or embargos;
- extension of lead time due to supply chain disruption, component shortage that impacts the production of our products and constrained availability from other electronic suppliers impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers;
- our ability and the ability of our customers to successfully compete in the markets in which we serve;
- our ability and our customers' ability to develop new and enhanced products and the adoption of those products in the market;
- our ability to scale our operations in response to changes in demand for existing or new products and services;
- our reliance on independent foundries and subcontractors for the manufacture, assembly and testing of our products;
- the risks associated with manufacturing and selling a majority of our products and our customers' products outside of the United States;
- the effects of transitioning to smaller geometry process technologies;
- our ability to execute on changes in strategy and realize the expected benefits from restructuring activities;
- our ability to implement our plans, forecasts and other expectations with respect to our acquisitions and to fully realize the anticipated synergies and cost savings in the time frame anticipated;
- our ability to limit costs related to defective products;
- our ability to recruit and retain experienced executive management as well as highly-skilled personnel;
- our ability to mitigate risks related to our information technology systems;
- our ability to protect our intellectual property, particularly outside of the U.S.;
- our ability to estimate customer demand and future sales accurately;
- our reliance on third-party distributors and manufacturers' representatives to sell our products;
- the impact of any change in our application of the United States federal income tax laws and the loss of any beneficial tax treatment that we currently enjoy;
- our maintenance of an effective system of internal controls;
- our dependence upon the storage market, which is highly cyclical and intensely competitive;
- our dependence on a small number of customers;
- severe financial hardship or bankruptcy of one or more of our major customers;
- the effects of any potential future acquisitions, strategic investments, divestitures, mergers or joint ventures;
- risks associated with acquisition and consolidation activity in the semiconductor industry;
- decreases in our gross margin and results of operations in the future due to a number of factors;
- the impact of natural disasters and other catastrophic events; and
- the outcome of pending or future litigation and legal proceedings.

Additional factors which could cause actual results to differ materially include those set forth in the following discussion, as well as the risks discussed in Part II, Item 1A, "Risk Factors," and other sections of this Quarterly Report on Form 10-Q. These forward-looking statements speak only as of the date hereof. Unless required by law, we undertake no obligation to update any forward-looking statements.

Overview

We are a leading supplier of infrastructure semiconductor solutions, spanning the data center core to network edge. We are a fabless semiconductor supplier of high-performance standard and semi-custom products with core strengths in developing and scaling complex System-on-a-Chip architectures integrating analog, mixed-signal and digital signal processing functionality. Leveraging leading intellectual property and deep system-level expertise as well as highly innovative security firmware, our solutions are empowering the data economy and enabling communications across 5G, cloud, automotive, industrial and artificial intelligence applications.

In the third quarter of fiscal 2021, our net revenue increased year over year by 13% from \$662.5 million net revenue in the third quarter of fiscal 2020 compared with \$750.1 million in the third quarter of fiscal 2021. The increase was primarily due to increased sales of our networking products by 35%, partially offset by decreased sales of our storage products by 4% and our other products by 35%. Our net revenue for the nine months ended October 31, 2020 increased by \$189.6 million compared to net revenue for the nine months ended November 2, 2019. This was primarily due to increased sales of our networking products by 24% with sales benefiting from acquisitions and the demand increase for our networking products, partially offset by the divestiture of the Wi-Fi Connectivity business in fiscal 2020 and decreased sales of our storage products and other products by 2% and 28%, respectively.

In response to growth in demand from customers for our products, our operations team is continuing to ramp production with our global supply chain partners. However, we have begun to experience a number of industry-wide supply constraints affecting the type of high complexity products we provide for data infrastructure. These supply challenges are currently limiting our ability to fully satisfy the increase in demand for some of our networking products.

We continue to monitor the impact of COVID-19 on our business. While many of our offices around the world remain open to enable critical on-site business functions in accordance with local government guidelines, the majority of our employees continue to work from home. Recently, some of our customers have reported adverse impacts on demand for their products due to COVID-19. We have seen a reduction in demand for products from customers in the enterprise networking, and enterprise server and storage end markets. We expect COVID-19 to continue to impact our business and for a further discussion of the uncertainties and business risks associated with the COVID-19 pandemic, see Part II, Item 1A, "Risk Factors," including but not limited to the risk detailed under the caption "*We face risks related to COVID-19 pandemic which could significantly disrupt our manufacturing, research and development, operations, sales and financial results.*"

We expect that the U.S. government's export restrictions on certain Chinese customers will continue to impact our revenue in fiscal year 2021. Moreover, concerns that U.S. companies may not be reliable suppliers as a result of these and other actions has caused, and may in the future cause, some of our customers in China to amass large inventories of our products well in advance of need or cause some of our customers to replace our products in favor of products from other suppliers. Customers in China may also choose to develop indigenous solutions, as replacements for products that are subject to U.S. export controls. In addition, there may be indirect impacts to our business that we can not easily quantify such as the fact that some of our other customers' products which use our solutions may also be impacted by export restrictions.

Pending Business Combination. On October 29, 2020, we entered into a merger agreement (the "Merger Agreement") with Inphi Corporation ("Inphi"), whereby we will acquire Inphi with cash and stock consideration. Under the terms of the agreement, we will pay Inphi's stockholders \$66 per share in cash and 2.323 common shares for each Inphi share, which represents purchase consideration of approximately \$10 billion. The merger consideration will be financed by new debt financing and issuance of our common shares. The transaction is expected to close in the second half of calendar 2021, pending approval by Inphi's and our shareholders, as well as regulatory approval and satisfaction of other customary closing conditions. As a result of the transaction, the parent company will be domiciled in the United States upon closing of the transaction.

Inphi is a global leader in high-speed data movement enabled by optical interconnects. Their product portfolio includes laser drivers, trans-impedance amplifiers, PAM (Pulse Amplitude Modulation) and Coherent DSPs (Digital Signal Processors) and data center interconnects. We and Inphi both have growing positions in carrier and datacenter, and Inphi's high-speed electro-optics platform is highly complementary to our storage, networking, compute, and security portfolio. Inphi's electro-optics portfolio combined with our copper Ethernet PHY franchise is expected to create an industry-leading high-speed data interconnect platform serving the enterprise, carrier, data center, and automotive end markets.

Restructuring. We continuously evaluate our existing operations to increase operational efficiency, decrease costs and increase profitability. In November 2019, as part of the integration of the acquired Avera business, we initiated a restructuring plan intended to further achieve the aforementioned goals.

During the second quarter ended August 1, 2020, we made changes to the scope of our server processor product line in response to changes in the associated market. We transitioned our product offering from standard server processors to the broad server market to focus only on customized server processors for a few targeted customers. This change in strategy required the Company to assess whether the carrying value of the associated assets would be recoverable. As a result of the assessment, we determined the carrying amount of certain impacted assets are not recoverable, which have resulted in recognition of \$119.0 million of restructuring related charges associated with the server processor product line during the second quarter ended August 1, 2020. See “Note 5 - Restructuring” in the Notes to the Unaudited Condensed Consolidated Financial Statements for further information.

Capital Return Program. We remain committed to delivering shareholder value through our share repurchase and dividend programs. On October 16, 2018, we announced that our Board of Directors authorized a \$700 million addition to the balance of our existing share repurchase program. Under the program authorized by our Board of Directors, we may repurchase shares in the open-market or through privately negotiated transactions. The extent to which we repurchase our shares and the timing of such repurchases will depend upon market conditions and other corporate considerations, as determined by our management team. The share repurchase program was temporarily suspended in late March 2020 to preserve cash during the COVID-19 pandemic and remains temporarily suspended in anticipation of the funding of our acquisition of Inphi. As a result, we did not repurchase any shares during the three months ended October 31, 2020. We will continue to evaluate business conditions to decide when we can restart the share repurchase program. As of October 31, 2020, there was \$564.5 million remaining available for future share repurchases of the authorization.

For the nine months ended October 31, 2020, we repurchased 1.3 million shares of our common stock for \$25.2 million. As of October 31, 2020, a total of 308.1 million shares have been repurchased to date under our share repurchase programs for a total \$4.3 billion in cash. We returned \$145.3 million to stockholders in the nine months ended October 31, 2020, including our repurchases of common stock and \$120.1 million of cash dividends.

Cash and Cash Equivalents. Our cash and cash equivalents were \$832.0 million at October 31, 2020, which was \$184.4 higher than our balance at our fiscal year ended February 1, 2020 of \$647.6 million.

Sales and Customer Composition. Historically, a relatively small number of customers have accounted for a significant portion of our net revenue. During the third quarter of fiscal 2021, there was no net revenue attributable to a customer, other than one distributor, whose revenues as a percentage of net revenue was 10% or greater of total net revenues. Net revenue attributable to significant customers whose revenue as a percentage of net revenue was 10% or greater of total net revenue is presented in the following table:

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
End Customer:				
Cisco Systems	*	*	*	10 %
Distributor:				
Wintech	12 %	13 %	12 %	12 %

* Less than 10% of net revenue

We continuously monitor the creditworthiness of our distributors and believe their sales to diverse end customers and geographies further serve to mitigate our exposure to credit risk.

Most of our sales are made to customers located outside of the United States, primarily in Asia, and majority of our products are manufactured outside the United States. Sales shipped to customers with operations in Asia represented approximately 81% and 80% of our net revenue in the three and nine months ended October 31, 2020, and approximately 83% and 82% of net revenue in the three and nine months ended November 2, 2019, respectively. Because many manufacturers and manufacturing subcontractors of our customers are located in Asia, we expect that most of our net revenue will continue to be represented by sales to our customers in that region. For risks related to our global operations, see Part II, Item 1A, “Risk Factors,” including but not limited to the risk detailed under the caption “*We face additional risks due to the extent of our global operations since a majority of our products, and those of our customers, are manufactured and sold outside of the United States. The occurrence of any or a combination of the additional risks described below would significantly and negatively impact our business and results of operations.*”

Historically, a relatively large portion of our sales have been made on the basis of purchase orders rather than long-term agreements. Customers can generally cancel or defer purchase orders on short notice without incurring a significant penalty. In addition, the development process for our products is long, which may cause us to experience a delay between the time we incur expenses and the time revenue is generated from these expenditures. We anticipate that the rate of new orders may vary significantly from quarter to quarter. For risks related to our sales cycle, see Part II, Item 1A, “Risk Factors,” including but not limited to the risk detailed under the caption *“We are subject to order and shipment uncertainties. If we are unable to accurately predict customer demand, we may hold excess or obsolete inventory, which would reduce our gross margin. Conversely, we may have insufficient inventory, which would result in lost revenue opportunities and potential loss of market share as well as damaged customer relationships.”*

Critical Accounting Policies and Estimates

There have been no material changes during the three months ended October 31, 2020 to our critical accounting policies and estimates from the information provided in the “Critical Accounting Policies and Estimates” section of our Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended February 1, 2020.

In the current macroeconomic environment affected by COVID-19, our estimates could require increased judgment and carry a higher degree of variability and volatility. We continue to monitor and assess our estimates in light of developments, and as events continue to evolve and additional information becomes available, our estimates may change materially in future periods.

Results of Operations

The following table sets forth information derived from our Unaudited Condensed Consolidated Statements of Operations expressed as a percentage of net revenue:

	Three Months Ended		Nine Months Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	49.2	48.7	50.8	46.9
Gross profit	50.8	51.3	49.2	53.1
Operating expenses:				
Research and development	34.1	40.4	37.4	40.4
Selling, general and administrative	15.4	18.0	16.1	17.3
Restructuring related charges	2.6	2.2	7.4	1.9
Total operating expenses	52.1	60.6	60.9	59.6
Operating loss	(1.3)	(9.3)	(11.7)	(6.5)
Interest income	0.1	0.2	0.1	0.2
Interest expense	(2.1)	(3.2)	(2.2)	(3.2)
Other income (loss), net	—	0.1	0.2	(0.1)
Loss before income taxes	(3.3)	(12.2)	(13.6)	(9.6)
Provision for income taxes	(0.2)	0.2	(0.3)	(0.1)
Net loss	(3.1)%	(12.4)%	(13.3)%	(9.5)%

Three and nine months ended October 31, 2020 and November 2, 2019
Net Revenue

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Net revenue	\$ 750,143	\$ 662,470	13.2%	\$ 2,171,081	\$ 1,981,490	9.6%

Our net revenue for the three months ended October 31, 2020 increased by \$87.7 million compared to net revenue for the three months ended November 2, 2019. This was primarily due to increased sales of our networking products by 35%, partially offset by decreased sales of our storage products by 4% and our other products by 35% compared to the three months ended November 2, 2019. The increased sales of our networking products were primarily due to acquisitions and an increase in demand for our ethernet, embedded processor and automotive networking products, partially offset by the divestiture of the Wi-Fi Connectivity business in fiscal 2020. The decrease in sales of our storage products were primarily due to a decrease in demand for our fibre channel adapters and HDD storage controllers partially offset by an increase in demand for our SSD storage controllers. The decrease in sales of our other products is because we have stopped investing in these products and we expect that sales for these products will continue to decline over time.

Our net revenue for the nine months ended October 31, 2020 increased by \$189.6 million compared to net revenue for the nine months ended November 2, 2019. This was primarily due to increased sales of our networking products by 24%, partially offset by the decreased sales of our storage products and our other products by 2% and 28%, respectively. The increased sales of our networking products were primarily due to acquisitions and the increase in demand for our ethernet, automotive and embedded processor networking products, partially offset by the divestiture of the Wi-Fi connectivity business in fiscal 2020. The decrease in sales of our other products is because we have stopped investing in these products and we expect that sales for these products will continue to decline over time. The decrease in sales of our storage products was primarily due to a decrease in demand for our HDD storage controllers and our fibre channel adapters partially offset by an increase in demand for our SSD storage controllers.

In the three months ended October 31, 2020, unit shipments were 40% lower and average selling prices increased 39% compared to the three months ended November 2, 2019. In the nine months ended October 31, 2020, unit shipments were 39% lower and average selling prices increased 36% compared to the nine months ended November 2, 2019. This was primarily driven by the acquisition of Avera ASIC business characterized by higher average selling prices and divestiture of the Wi-Fi Connectivity business, represented by higher unit shipments.

Cost of Goods Sold and Gross Profit

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Cost of goods sold	\$ 369,083	\$ 322,403	14.5%	\$ 1,103,863	\$ 929,293	18.8%
% of net revenue	49.2 %	48.7 %		50.8 %	46.9 %	
Gross profit	\$ 381,060	\$ 340,067	12.1%	\$ 1,067,218	\$ 1,052,197	1.4%
% of net revenue	50.8 %	51.3 %		49.2 %	53.1 %	

Cost of goods sold as a percentage of net revenue increased for the three months ended October 31, 2020 compared to the three months ended November 2, 2019. Cost of goods sold as a percentage of net revenue was higher for the nine months ended October 31, 2020 compared to the nine months ended November 2, 2019, which primarily resulted from increased costs from amortization of acquired intangible assets, the amortization of inventory fair value adjustment associated with the Aquantia and Avera acquisitions as well as the inventory impairment associated with the change in strategy of our server processor product line. As a result, gross margin for the nine months ended October 31, 2020 decreased 3.9 percentage points compared to the nine months ended November 2, 2019.

Research and Development

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Research and development	\$ 255,637	\$ 267,781	(4.5)%	\$ 812,360	\$ 801,002	1.4%
% of net revenue	34.1 %	40.4 %		37.4 %	40.4 %	

Research and development expense decreased by \$12.1 million in the three months ended October 31, 2020 compared to the three months ended November 2, 2019. The decrease was primarily due to increased non-recurring engineering credits of \$26.3 million recognized in the current period, partially offset by higher employee personnel-related costs of \$5.2 million, higher engineering design costs of \$4.5 million and higher depreciation and amortization expense of \$3.4 million.

Research and development expense increased by \$11.4 million in the nine months ended October 31, 2020 compared to the nine months ended November 2, 2019. The increase was primarily due to additional costs from our acquisition of Aquantia and Avera, including \$32.1 million of higher employee personnel-related costs, \$12.7 million of higher depreciation and amortization expense and \$10.9 million of higher engineering design costs, partially offset by increased non-recurring engineering credits of \$45.4 million recognized in the current period.

Selling, general and administrative

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Selling, general and administrative	\$ 115,501	\$ 118,993	(2.9)%	\$ 350,322	\$ 342,988	2.1%
% of net revenue	15.4 %	18.0 %		16.1 %	17.3 %	

Selling, general and administrative expense decreased by \$3.5 million in the three months ended October 31, 2020 compared to the three months ended November 2, 2019. The decrease was reflective of one-time non-recurring Aquantia and Avera merger transaction costs incurred in the prior year when the deals were closing, and decreasing integration costs this year, contributing to an overall decrease of \$12.6 million year over year. In addition, lower travel expenses of \$2.0 million were incurred in the current year due to the COVID-19 pandemic. These collective expense decreases were partially offset by \$2.6 million higher facility expense this year, \$2.5 million higher employee compensation-related costs and \$5.7 million higher intangible amortization expense recognized this year associated with new acquired intangible assets from the Company's prior year acquisitions of Aquantia and Avera.

Selling, general and administrative expense increased by \$7.3 million in the nine months ended October 31, 2020 compared to the nine months ended November 2, 2019. The increase was primarily due to additional costs associated with our acquisitions of Aquantia and Avera, including \$18.8 million of higher intangible amortization expense and \$5.3 million higher employee compensation-related costs, partially offset by lower merger transaction and integration costs of \$10.3 million related to the Aquantia and Avera acquisitions and lower travel expenses of \$5.7 million due to the COVID-19 pandemic.

Restructuring Related Charges

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Restructuring related charges	\$ 19,312	\$ 14,802	30.5%	\$ 161,189	\$ 37,070	334.8%
% of net revenue	2.6 %	2.2 %		7.4 %	1.9 %	

We recognized \$19.3 million and \$161.2 million of total restructuring related charges in the three and nine months ended October 31, 2020. During the second quarter ended August 1, 2020, we made changes to the scope of our server processor product line in response to changes in the associated market. We transitioned our product offering from standard server processors for the broad server market to focus only on customized server processors for a few targeted customers. This change in strategy required us to assess whether the carrying value of the associated assets would be recoverable. As a result of the assessment, we determined the carrying amount of certain impacted assets were not recoverable, which resulted in recognition of \$119.0 million of restructuring related charges associated with the server processor product line during the second quarter ended August 1, 2020. See “Note 5 - Restructuring” in the Notes to the Unaudited Condensed Consolidated Financial Statements for further information.

Interest Income

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Interest income	\$ 608	\$ 1,092	(44.3)%	\$ 2,243	\$ 3,437	(34.7)%
% of net revenue	0.1 %	0.2 %		0.1 %	0.2 %	

Interest income decreased by \$0.5 million and \$1.2 million, respectively, in the three and nine months ended October 31, 2020 compared to the three and nine months ended November 2, 2019 due to lower interest rates on our invested cash.

Interest Expense

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Interest expense	\$ (16,066)	\$ (21,241)	(24.4)%	\$ (48,531)	\$ (62,975)	(22.9)%
% of net revenue	(2.1)%	(3.2)%		(2.2)%	(3.2)%	

Interest expense decreased by \$5.2 million and \$14.4 million in the three and nine months ended October 31, 2020 compared to the three and nine months ended November 2, 2019. The decrease was primarily due to lower outstanding term loan balances as well as lower borrowing rates.

Other Income (Loss), Net

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
	(in thousands, except percentage)					
Other income (loss), net	\$ 299	\$ 689	(56.6)%	\$ 3,613	\$ (1,624)	(322.5)%
% of net revenue	— %	0.1 %		0.2 %	(0.1)%	

Other income (loss), net, changed by \$0.4 million in the three months ended October 31, 2020 compared to the three months ended November 2, 2019. The higher income in the three months ended November 2, 2019 was primarily due to foreign currency rate fluctuations.

Other income (loss), net, changed by \$5.2 million in the nine months ended October 31, 2020 compared to the nine months ended November 2, 2019. The change is primarily due to income in fiscal 2021 related to the divestiture of the Wi-Fi connectivity business compared to loss in fiscal 2020 due to Wi-Fi divestiture-related costs and foreign currency rate fluctuations.

Provision (benefit) for Income Taxes

	Three Months Ended			Nine Months Ended		
	October 31, 2020	November 2, 2019	% Change	October 31, 2020	November 2, 2019	% Change
(in thousands, except percentage)						
Provision (benefit) for income taxes	\$ (1,641)	\$ 1,532	(207.1)%	\$ (5,494)	\$ (1,743)	215.2%

Our income tax benefit for the three months ended October 31, 2020 was \$1.6 million compared to a tax expense of \$1.5 million for the three months ended November 2, 2019. Our income tax benefit for the three months ended October 31, 2020 differs from the same period in the prior year primarily due to a reduction of earnings of our non-U.S. subsidiaries that are subject to tax in the U.S. versus the prior period, combined with a decrease in non-US income taxes versus the prior period. The effective tax rate for the three months ended October 31, 2020 and November 2, 2019 differs from the U.S. statutory Federal rate of 21% primarily due to the rate differential on foreign earnings.

Our income tax benefit for the nine months ended October 31, 2020 was \$5.5 million compared to a tax benefit of \$1.7 million for the nine months ended November 2, 2019. Our income tax benefit for the nine months ended October 31, 2020 differs from the same period in the prior year primarily due to a reduction of earnings of our non-U.S. subsidiaries that are subject to tax in the U.S. versus the prior period, combined with a decrease in non-US income taxes versus the prior period. The effective tax rate for the nine months ended October 31, 2020 and November 2, 2019 differs from the U.S. statutory Federal rate of 21% primarily due to the rate differential on foreign earnings, the expiration of the statutes of limitations on unrecognized tax benefits in various foreign jurisdictions, and discrete tax benefits on the asset impairment for the period ended October 31, 2020.

Our provision for income taxes may be affected by changes in the geographic mix of earnings with different applicable tax rates, accruals related to contingent tax liabilities and period-to-period changes in such accruals, the results of income tax audits, the expiration of statutes of limitations on the assessment for income taxes, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities and changes in tax laws. It is also possible that significant negative evidence may become available to reach a conclusion that a valuation allowance will be needed, and as such, we may recognize a valuation allowance in the next 12 months.

We also continuously evaluate realignment of our legal structure in response to guidelines and requirements in various international tax jurisdictions where we conduct business. Additionally, please see the information in “Item 1A: Risk Factors” under the caption “*Changes in existing taxation benefits, rules or practices may adversely affect our financial results.*”

Liquidity and Capital Resources

Our principal source of liquidity as of October 31, 2020 consisted of approximately \$832.0 million of cash and cash equivalents, of which approximately \$694.1 million was held by subsidiaries outside of Bermuda. We plan to use such amounts to fund various activities outside of Bermuda, including working capital requirements, capital expenditures for expansion, funding of future acquisitions or other financing activities.

In June 2018, we executed debt agreements to obtain a \$900 million term loan and \$1.0 billion of senior unsecured notes in order to fund the Cavium acquisition. In addition, we executed a debt agreement in June 2018 to obtain a \$500 million Revolving Credit Facility. During the quarter ended October 31, 2020, the Company repaid \$100 million of the principal outstanding and as of October 31, 2020, the term loan had an outstanding balance of \$350 million, which we intend to repay with operating cash flow. See “Note 9 - Debt” for additional information.

In October 2020, in order to fund the Inphi acquisition, we obtained commitments consisting of a \$2.5 billion bridge loan commitment, a \$750 million 3-year term loan facility commitment and a \$750 million 5-year term loan facility commitment from JP Morgan Chase Bank, N.A., in each case subject to customary terms and conditions. See “Note 1 - Basis of Presentation” for additional information.

We believe that our existing cash, cash equivalents, together with cash generated from operations, and funds from our Revolving Credit Facility will be sufficient to cover our working capital needs, capital expenditures, investment requirements and any declared dividends, repurchase of our common stock and commitments for at least the next twelve months. Our capital requirements will depend on many factors, including our rate of sales growth, market acceptance of our products, costs of securing access to adequate manufacturing capacity, the timing and extent of research and development projects and increases in operating expenses, all of which are subject to uncertainty.

To the extent that our existing cash and cash equivalents, together with cash generated by operations, and funds available under our Revolving Credit Facility are insufficient to fund our future activities, we may need to raise additional funds through public or private debt or equity financing. We may also acquire additional businesses, purchase assets or enter into other strategic arrangements in the future, which could also require us to seek debt or equity financing. Additional equity financing or convertible debt financing may be dilutive to our current shareholders. If we elect to raise additional funds, we may not be able to obtain such funds on a timely basis or on acceptable terms, if at all. In addition, the equity or debt securities that we issue may have rights, preferences or privileges senior to our common shares.

Future payment of a regular quarterly cash dividend on our common shares and our planned repurchases of common stock will be subject to, among other things, the best interests of us and our shareholders, our results of operations, cash balances and future cash requirements, financial condition, developments in ongoing litigation, statutory requirements under Bermuda law, market conditions and other factors that our board of directors may deem relevant. Our dividend payments and repurchases of common stock may change from time to time, and we cannot provide assurance that we will continue to declare dividends or repurchase shares at all or in any particular amounts. Our share repurchase program was temporarily suspended in late March 2020 to preserve cash during the COVID-19 pandemic and remains temporarily suspended in anticipation of the funding of our acquisition of Inphi. We will continue to evaluate business conditions to decide when we can restart the share repurchase program.

Cash Flows from Operating Activities

Net cash flow provided by operating activities for the nine months ended October 31, 2020 was \$659.0 million. We had a net loss of \$293.8 million adjusted for the following non-cash items: amortization of acquired intangible assets of \$333.9 million, share-based compensation expense of \$182.1 million, depreciation and amortization of \$149.9 million, restructuring related non cash charges of \$123.6 million, amortization of inventory fair value adjustment associated with the Aquantia and Avera acquisition of \$17.3 million and \$23.1 million net loss from other non-cash items. Cash inflow from working capital of \$123.0 million for the nine months ended October 31, 2020 was primarily driven by an increase in accrued employee compensation, an increase in accounts payable, an increase in accrued liabilities and other non-current liabilities, as well as a decrease in inventories. The increase in accrued employee compensation is due to increase in our bonus accrual and increase in employee contributions to the employee stock purchase plan. The increase in accounts payable is mainly due to timing of payments. The increase in accrued liabilities and other non current liabilities is due to an increase in ship and debit reserve. The decrease in inventory is due to improved supply chain management

Net cash flow provided by operating activities for the nine months ended November 2, 2019 was \$304.5 million. We had a net loss of \$188.3 million adjusted for the following non-cash items: amortization of acquired intangible assets of \$253.5 million, share-based compensation expense of \$189.0 million, depreciation and amortization of \$112.7 million, restructuring related non cash charges of \$16.2 million, amortization of inventory fair value adjustment associated with the Aquantia acquisition of \$3.3 million and \$14.8 million net loss from other non-cash items. Cash outflow from working capital of \$96.8 million for the nine months ended November 2, 2019 was primarily driven by a decrease in accrued liabilities and other non-current liabilities, as well as an increase in inventory, partially offset by an increase in accounts payable. The decrease in accrued liabilities and other non-current liabilities was due to a decrease in accrued rebates, ship and debit reserve and income tax payable, as well as a decrease due to severance payments. The increase in inventory was primarily due to slower inventory turns and inventory acquired from Aquantia. The increase in accounts payable was mainly due to timing of payments.

Cash Flows from Investing Activities

For the nine months ended October 31, 2020, net cash used in investing activities of \$96.5 million was primarily driven by purchases of property and equipment of \$88.2 million, and purchases of technology licenses of \$8.5 million.

For the nine months ended November 2, 2019, net cash used in investing activities of \$525.4 million was primarily driven by net cash paid to acquire Aquantia of \$477.6 million, purchases of property and equipment of \$62.9 million and purchases of technology licenses of \$1.9 million, partially offset by proceeds from sale of available for sale securities acquired from Aquantia of \$18.8 million.

Cash Flows from Financing Activities

For the nine months ended October 31, 2020, net cash used in financing activities of \$378.1 million was primarily attributable to \$120.1 million for payment of our quarterly dividends, \$100.0 million repayment of debt principal, \$82.6 million tax withholding payments on behalf of employees for net share settlements, \$76.8 million payments for technology license obligations, \$25.2 million for repurchases of our common stock and \$22.3 million payment of debt financing cost. These outflows were partially offset by \$50.5 million proceeds from employee stock plans.

For the nine months ended November 2, 2019, net cash used in financing activities of \$76.9 million was primarily attributable to \$119.5 million for payment of our quarterly dividends, \$80.9 million tax withholding payments on behalf of employees for net share settlements, \$64.3 million for repurchases of our common stock, \$57.2 million payments for technology license obligations and \$50.0 million repayment of debt principal. These outflows were partially offset by \$350.0 million proceeds from issuance of debt and \$103.1 million proceeds from employee stock plans.

Contractual Obligations and Commitments

We presented our contractual obligations at February 1, 2020 in our Annual Report on Form 10-K for the fiscal year then ended. There have been no material changes outside the ordinary course of business in those obligations during the three months ended October 31, 2020.

Indemnification Obligations

See “Note 10 – Commitments and Contingencies” in the Notes to the Unaudited Condensed Consolidated Financial Statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk. With our outstanding debt, we are exposed to various forms of market risk, including the potential losses arising from adverse changes in interest rates on our outstanding Term Loan and Revolving Credit Facility. See “Note 9 - Debt” for further information. A hypothetical increase or decrease in the interest rate by 1 percentage point would result in an increase or decrease in annual interest expense by approximately \$2.4 million.

We currently carry debt that relies on the LIBOR as the benchmark rate, with the Term Loan maturing on July 6, 2021. LIBOR is expected to be phased out as a benchmark rate by the end of 2021. We expect our debt to continue to use LIBOR until the rate is no longer available or a relevant governmental authority makes a public statement that LIBOR will no longer be available after a certain date. To the extent LIBOR ceases to exist, we may need to renegotiate our credit agreements that utilize LIBOR as a factor in determining the interest rate. Currently, there is not a firm timeframe for this change. This update currently has no foreseeable impact on our unaudited condensed consolidated financial statements; however, it may have an effect in the future.

We maintain an investment policy that requires minimum credit ratings, diversification of credit risk and limits the long-term interest rate risk by requiring effective maturities of generally less than five years. We invest our excess cash primarily in highly liquid debt instruments of the U.S. government and its agencies, money market mutual funds, corporate debt securities and municipal debt securities that are classified as available-for-sale and time deposits. These investments are recorded on our condensed consolidated balance sheets at fair market value with their related unrealized gain or loss reflected as a component of accumulated other comprehensive income (loss) in the unaudited condensed consolidated statement of shareholders' equity. Investments in both fixed rate and floating rate interest earning securities carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than predicted if interest rates fall. There were no such investments on hand at October 31, 2020, aside from cash and cash equivalents.

Foreign Currency Exchange Risk. All of our sales and the majority of our expenses are denominated in U.S. dollars. Since we operate in many countries, a percentage of our international operational expenses are denominated in foreign currencies and exchange volatility could positively or negatively impact those operating costs. Increases in the value of the U.S. dollar relative to other currencies could make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the U.S. dollar relative to other currencies could result in our suppliers raising their prices to continue doing business with us. Additionally, we may hold certain assets and liabilities, including potential tax liabilities, in local currency on our consolidated balance sheet. These tax liabilities would be settled in local currency. Therefore, foreign exchange gains and losses from remeasuring the tax liabilities are recorded to interest and other income, net. We do not believe that foreign exchange volatility has a material impact on our current business or results of operations. However, fluctuations in currency exchange rates could have a greater effect on our business or results of operations in the future to the extent our expenses increasingly become denominated in foreign currencies.

We may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. However, we may choose not to hedge certain foreign exchange exposures for a variety of reasons, including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures.

To provide an assessment of the foreign currency exchange risk associated with our foreign currency exposures within operating expense, we performed a sensitivity analysis to determine the impact that an adverse change in exchange rates would have on our financial statements. If the U.S. dollar weakened by 10%, our operating expense could increase by approximately 2%.

Item 4. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

Management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of October 31, 2020, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended October 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As a result of the COVID-19 pandemic, we have modified our workplace practices globally, resulting in most of our employees working remotely. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness. We believe that our internal controls over financial reporting are being executed effectively and continue to be effective.

Limitation on Effectiveness of Controls

Our management, including our principal executive officer and our principal financial officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information under the caption “Contingencies” as set forth in “Note 10 – Commitments and Contingencies” of our Notes to Unaudited Condensed Consolidated Financial Statements, included in Part I, Item 1, is incorporated herein by reference. For additional discussion of certain risks associated with legal proceedings, see Part II, Item 1A, “Risk Factors,” immediately below.

Item 1A. Risk Factors

Investing in our common shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below and all information contained in this report before you decide to purchase our common shares. Many of these risks and uncertainties are beyond our control, including business cycles and seasonal trends of the computing, infrastructure, semiconductor and related industries and end markets. If any of the possible adverse events described below actually occurs, we may be unable to conduct our business as currently planned and our financial condition and operating results could be harmed. In addition, the trading price of our common shares could decline due to the occurrence of any of these risks, and you could lose all or part of your investment.

SUMMARY OF FACTORS THAT MAY AFFECT OUR FUTURE RESULTS

The following summarizes the principal factors that make an investment in the Company speculative or risky. This summary should be read in conjunction with the remainder of this “Risk Factors” section and should not be relied upon as an exhaustive summary of the material risks facing our business. The occurrence of any of these risks could harm our business, financial condition, results of operations and/or growth prospects or cause our actual results to differ materially from those contained in forward-looking statements we have made in this report and those we may make from time to time. You should consider all of the risk factors described in our public filings when evaluating our business.

- risks related to the impact of the COVID-19 pandemic or other future pandemics, on the global economy and on our customers, suppliers, employees and business;
- risks related to our ability to complete our planned merger with Inphi Corporation on a timely basis, or at all, and limitations and restrictions contained in the Merger Agreement;
- risks related to our ability to realize anticipated synergies in connection with the Inphi merger and other strategic transactions;
- risks related to changes in general economic conditions, such as the impact of Brexit on the economy in the E.U., political conditions, such as the recent tariffs and trade restrictions with China and other foreign nations, and specific conditions in the end markets we address, including the continuing volatility in the technology sector and semiconductor industry;
- risks related to the ability of our customers, particularly in jurisdictions such as China that may be subject to trade restrictions (including the need to obtain export licenses) to develop their own solutions or acquire fully developed solutions from third-parties;
- risks related to the extension of lead time due to supply chain disruptions, component shortages that impact the production of our products, and constrained availability from other electronic suppliers impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers;
- risks related to cancellations, rescheduling or deferrals of significant customer orders or shipments, as well as the ability of our customers to manage inventory;
- risks related to the effects of any future acquisitions, divestitures or significant investments;
- risks related to the highly competitive nature of the end markets we serve, particularly within the semiconductor and infrastructure industries;
- risks related to our dependence on a few customers for a significant portion of our revenue;
- risks related to our ability to execute on changes in strategy and realize the expected benefits from restructuring activities;
- risks related to our ability to maintain a competitive cost structure for our manufacturing and assembly and test processes and our reliance on third parties to produce our products;

- risks related to our ability to realize anticipated synergies in connection with our acquisitions and our loss of synergies in connection with our divestitures;
- risks related to any current and future litigation and regulatory investigations that could result in substantial costs and a diversion of management's attention and resources that are needed to successfully maintain and grow our business;
- risks related to gain or loss of a design win or key customer;
- risks related to seasonality or volatility related to sales into the infrastructure market;
- risks related to failures to qualify our products or our suppliers' manufacturing lines;
- risks related to our ability to develop and introduce new and enhanced products in a timely and effective manner, as well as our ability to anticipate and adapt to changes in technology;
- risks related to failures to protect our intellectual property, particularly outside the U.S.;
- risks related to the potential impact of a significant natural disaster, including earthquakes, fires, floods and tsunamis, particularly in certain regions in which we operate or own buildings, such as Santa Clara, California, and where our third party suppliers operate, such as Taiwan and elsewhere in the Pacific Rim;
- risks related to our ability to attract, retain and motivate a highly skilled workforce, especially managerial, engineering, sales and marketing personnel;
- risks related to our debt obligations;
- risks related to severe financial hardship or bankruptcy of one or more of our major customers; and
- risks related to failures of our customers to agree to pay for NRE (non-recurring engineering) costs or failure to pay enough to cover the costs we incur in connection with NREs.

Our quarterly results of operations have fluctuated in the past and could do so in the future. Because our results of operations are difficult to predict, you should not rely on quarterly comparisons of our results of operations as an indication of our future performance. Due to fluctuations in our quarterly results of operations and other factors, the price at which our common shares will trade is likely to continue to be highly volatile. Accordingly, you may not be able to resell your common shares at or above the price you paid. In future periods, our stock price could decline if, amongst other factors, our revenue or operating results are below our estimates or the estimates or expectations of securities analysts and investors. Our stock is traded on the Nasdaq stock exchange under the ticker symbol "MRVL". As a result of stock price volatility, we may be subject to securities class action litigation. Any litigation could result in substantial costs and a diversion of management's attention and resources that are needed to successfully maintain and grow our business.

WE ARE SUBJECT TO RISKS ASSOCIATED WITH THE CORONAVIRUS (COVID-19) PANDEMIC

We face risks related to the COVID-19 pandemic which could significantly disrupt and adversely impact our manufacturing, research and development, operations, sales and financial results.

Our business has been, and will continue to be, adversely impacted by the effects of the COVID-19 pandemic. In addition to global macroeconomic effects, the COVID-19 pandemic and related adverse public health measures have caused disruption to our global operations and sales. Our third-party manufacturers, suppliers, third-party distributors, sub-contractors and customers have been, and are expected to continue to be, disrupted by worker absenteeism, quarantines and restrictions on their employees' ability to work; office and factory closures; disruptions to ports and other shipping infrastructure; border closures; and other travel or health-related restrictions. Depending on the magnitude of such effects on our manufacturing, assembling, and testing activities or the operations of our suppliers, third-party distributors, or sub-contractors, our supply chain, manufacturing and product shipments will be delayed, which could adversely affect our business, operations and customer relationships.

In addition to operational and customer impacts, the COVID-19 pandemic has had, and is expected to continue to have, a significant impact on the economies and financial markets of many countries including an economic downturn, which has affected and may in the future affect demand for our products and impact our operating results in both the near and long term. There can be no assurance that any decreases in sales resulting from the COVID-19 pandemic will be offset by increased sales in subsequent periods.

We have experienced and expect to continue to experience disruptions to our business operations resulting from work from home, quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs, innovate, work together in teams and collaborate and such disruptions could impact our ability to develop and design our products in a timely manner or meet required milestones or customer commitments. See the Risk Factor entitled *“If we are unable to develop and introduce new and enhanced products that achieve market acceptance in a timely and cost-effective manner, our results of operations and competitive position will be harmed.”* These disruptions may also impact our ability to win in time sensitive competitive bidding selection processes. See the Risk Factor entitled *“We rely on our customers to design our products into their systems, and the nature of the design process requires us to incur expenses prior to customer commitments to use our products or recognizing revenues associated with those expenses which may adversely affect our financial results.”* In addition, work from home, quarantines, self-isolations, home schooling, continuing macroeconomic related uncertainty or caring for family members may result in heavy psychological, emotional or financial burdens for some of our employees, which may impact their productivity and morale and may lead to higher employee absences and higher attrition rates. See the Risk Factor entitled *“We depend on highly skilled personnel to support our business operations. If we are unable to retain and motivate our current personnel or attract additional qualified personnel, our ability to develop and successfully market our products could be harmed.”*

Our share repurchase program was temporarily suspended in late March 2020 to preserve cash during the COVID-19 pandemic and remains temporarily suspended in anticipation of the funding of our acquisition of Inphi. See the Risk Factor entitled *“There can be no assurance that we will continue to declare cash dividends or effect share repurchases in any particular amount or at all, and statutory requirements under Bermuda Law may require us to defer payment of declared dividends or suspend share repurchases.”*

We may become subject to claims or lawsuits by employees, customers, suppliers or other parties regarding actions we take in our operations in response to the COVID-19 pandemic.

Due to uncertainty regarding the severity and duration of the COVID-19 pandemic and related public health measures and macroeconomic impacts, at this time we are unable to predict the full impact of the COVID-19 pandemic on our business, financial condition, operating results and cash flows. In addition, the impacts of the COVID-19 pandemic will be exacerbated the longer the pandemic continues.

The impact of the COVID-19 pandemic can also exacerbate other risks discussed below in this Item 1A "Risk Factors" section.

WE ARE SUBJECT TO RISKS ASSOCIATED WITH OUR PROPOSED MERGER WITH INPHI

Our proposed acquisition of Inphi involves a number of risks, including, among others, the risk that we fail to complete the acquisition in a timely manner or at all, regulatory risks, risks associated with our use of a significant portion of our cash and our taking on significant indebtedness, other financial risks, integration risks, and risks associated with the reactions of customers, suppliers and employees.

On October 29, 2020, Marvell entered into an Agreement and Plan of Merger and Reorganization (the “Merger Agreement”), by and among Marvell, Maui HoldCo, Inc., a Delaware corporation and a wholly owned subsidiary of Marvell (“HoldCo”), Maui Acquisition Company Ltd, a Bermuda exempted company and a wholly owned subsidiary of HoldCo (“Bermuda Merger Sub”), Indigo Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of HoldCo (“Delaware Merger Sub”), and Inphi Corporation, a Delaware corporation (“Inphi”). Pursuant to the Merger Agreement: (i) Bermuda Merger Sub will be merged with and into Marvell (the “Bermuda Merger”), with Marvell continuing as a wholly owned subsidiary of HoldCo; and (ii) Delaware Merger Sub will be merged with and into Inphi (the “Delaware Merger” and, together with the Bermuda Merger, the “Mergers”), with Inphi continuing as a wholly owned subsidiary of HoldCo. As a result of the transaction, the parent company will be domiciled in the United States upon closing of the transaction.

Our and Inphi’s obligations to consummate the proposed Mergers are subject to the satisfaction or waiver of certain conditions, including, among others: (i) approval by Marvell’s shareholders of the Merger Agreement and the Bermuda Merger; (ii) adoption by Inphi’s stockholders of the Merger Agreement; and (iii) the receipt of certain regulatory approvals.

The regulatory approvals required in connection with the proposed transaction may not be obtained or may contain materially burdensome conditions. If any conditions or changes to the structure of the proposed Mergers are required to obtain these regulatory approvals, they may have the effect of jeopardizing or delaying completion of the proposed Mergers or reducing the anticipated benefits of the transaction to HoldCo. If we agree to any material conditions in order to obtain any approvals required to complete the proposed Mergers, HoldCo’s business and results of operations may be adversely affected.

In addition, the incurrence of substantial indebtedness in connection with the financing of the proposed Mergers will reduce HoldCo's liquidity, and may limit HoldCo's flexibility in responding to other business opportunities and increase our vulnerability to adverse economic and industry conditions.

If the proposed Mergers are not completed by June 30, 2021 (or March 1, 2022, if extended by either party in accordance with the terms of the Merger Agreement) under certain circumstances, including in the event receipt of certain required regulatory approvals has not been obtained, either Marvell or Inphi may choose to terminate the Merger Agreement. Marvell or Inphi may also elect to terminate the Merger Agreement in certain other circumstances, or they may mutually decide to terminate the Merger Agreement at any time prior to the effective time of the Delaware Merger, before or after obtaining shareholder approval, as applicable.

If the proposed Mergers are not completed, our stock price could fall to the extent that our current price reflects an assumption that we will complete it. Furthermore, if the proposed Mergers are not completed and the Merger Agreement is terminated, we would not realize any of the expected benefits of the proposed Mergers, and we may suffer other consequences that could adversely affect our business, results of operations and stock price, including, among others:

- we could be required to pay a termination fee of up to \$460 million;
- we will have incurred and may continue to incur costs relating to the proposed Mergers, many of which are payable by us whether or not the proposed Mergers are completed;
- matters related to the proposed Mergers (including integration planning) require substantial commitments of time and resources by our management team and numerous others throughout our organization, which could otherwise have been devoted to other opportunities;
- we may be subject to legal proceedings related to the proposed Mergers or the failure to complete the proposed Mergers;
- the failure to complete the proposed Mergers may result in negative publicity and a negative perception of us in the investment community; and
- any disruptions to our business resulting from the announcement and pendency of the proposed Mergers, including any adverse changes in our relationships with our customers, suppliers, partners or employees, may continue to intensify in the event the proposed Mergers are not consummated.

The benefits we expect HoldCo to realize from the proposed Mergers will depend, in part, on HoldCo's ability to integrate the businesses successfully and efficiently.

Furthermore, uncertainties about the proposed Mergers may cause our and/or Inphi's current and prospective employees to experience uncertainty about their futures. These uncertainties may impair our and/or Inphi's ability to retain, recruit or motivate key management, engineering, technical and other personnel. Similarly, our and/or Inphi's existing or prospective customers, licensees, suppliers and/or partners may delay, defer or cease purchasing products or services from or providing products or services to us or Inphi; delay or defer other decisions concerning us or Inphi; or otherwise seek to change the terms on which they do business with us or Inphi. Any of the above could harm us and/or Inphi, and thus decrease the benefits we expect HoldCo to receive from the proposed Mergers.

The proposed Mergers may also result in significant charges or other liabilities, including taxes, that could adversely affect HoldCo's results of operations, such as cash expenses and non-cash accounting charges incurred in connection with the acquisition and/or integration of the business and operations of Marvell and Inphi. The amount and timing of these possible charges are not yet known. Further, HoldCo's failure to identify or accurately assess the magnitude of certain liabilities HoldCo is assuming in the proposed transaction could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on HoldCo's business, results of operations, financial condition or cash flows.

Until the completion of the Mergers or the termination of the Merger Agreement in accordance with its terms, Marvell and Inphi are each prohibited from entering into certain transactions and taking certain actions that might otherwise be beneficial to Marvell or Inphi and their respective shareholders.

Until the proposed Mergers are completed or the Merger Agreement is terminated, the Merger Agreement restricts Marvell and Inphi from taking specified actions without the consent of the other party, and requires Marvell and Inphi to conduct their respective business and operations in the ordinary course in all material respects and substantially in accordance with past practices. These restrictions may prevent Marvell and Inphi from making appropriate changes to their respective businesses or pursuing attractive business opportunities that may arise prior to the completion of the proposed Mergers.

The Merger Agreement limits each of Marvell's and Inphi's ability to pursue alternative transactions, and in certain instances requires payment of a termination fee, which could deter a third party from proposing an alternative transaction.

The Merger Agreement contains provisions that, subject to certain exceptions, limit each of Marvell's and Inphi's ability to solicit, initiate, encourage or facilitate, or enter into discussions or negotiations with respect to, any inquiries regarding or the making of any proposal or offer that constitutes or could reasonably be expected to lead to an alternative transaction. In addition, under certain specified circumstances, Inphi is required to pay a termination fee of \$300 million if the Merger Agreement is terminated and, under certain specified circumstances, Marvell is required to pay a termination fee of \$400 (or in some cases \$460) million if the Merger Agreement is terminated. It is possible that these or other provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Marvell or Inphi from considering or proposing an acquisition or might result in a potential competing acquirer proposing to pay a lower per share price to acquire Marvell or Inphi than it might otherwise have proposed to pay.

Any delay in completing the Mergers may significantly reduce the benefits expected to be obtained from the Mergers.

In addition to the required regulatory clearances and approvals, the Mergers are subject to a number of other conditions that are beyond the control of Marvell and Inphi. The failure to satisfy these and other conditions may prevent, delay or otherwise materially and adversely affect completion of the Mergers. Marvell and Inphi cannot predict whether and when these other conditions will be satisfied. Further, the requirements for obtaining the required regulatory clearances and approvals could delay the completion of the Mergers for a significant period of time or prevent it from occurring. Any delay in completing the Mergers may significantly reduce the synergies projected to result from the Mergers and other benefits that Marvell and Inphi expect to achieve if they complete the Mergers within the expected timeframe and integrate their respective businesses.

There can be no assurance that Marvell will be able to secure the funds necessary to pay the cash portion of the Merger consideration and refinance certain existing indebtedness on acceptable terms, in a timely manner or at all.

HoldCo intends to fund the cash portion of the Merger consideration to be paid to holders of Inphi common stock with new debt. To this end, Marvell and HoldCo have entered into two debt commitment letters containing commitments for a \$1.5 billion senior unsecured term loan facility and a \$2.5 billion senior 364-day bridge term loan facility. However, neither Marvell nor HoldCo has entered into definitive agreements for the debt financing (or other financing arrangements in lieu thereof), and the obligation of the lenders to provide the debt financing under the debt commitment letter is subject to a number of customary conditions. There can be no assurance that Marvell or HoldCo will be able to obtain the debt financing pursuant to the debt commitment letters.

In the event that the debt financing contemplated by the debt commitment letters is not available, other financing may not be available on acceptable terms, in a timely manner or at all. If Marvell or HoldCo is unable to obtain debt financing, the proposed Mergers may be delayed or not be completed.

Litigation filed against Marvell and Inphi could prevent or delay the completion of the Mergers or result in the payment of damages following completion of the Mergers.

Marvell, Inphi and members of their respective boards of directors may in the future be parties, among others, to various claims and litigation related to the Merger Agreement and the Merger, including putative shareholder class actions. Among other remedies, the plaintiffs in such matters may seek to enjoin the Mergers. The results of complex legal proceedings are difficult to predict, and could delay or prevent the Mergers from being completed in a timely manner. Moreover, litigation could be time consuming and expensive, could divert the attention of Marvell's and Inphi's management away from their regular businesses, and, if adversely resolved against either Marvell or Inphi, could have a material adverse effect on Marvell's or Inphi's respective financial condition or the condition of the combined company.

Failure to successfully integrate the businesses of Marvell and Inphi in the expected time frame may adversely affect HoldCo's future results.

Marvell and Inphi entered into the Merger Agreement with the expectation that the Mergers will result in various benefits, including certain cost savings and operational efficiencies or synergies. To realize these anticipated benefits, the businesses of Marvell and Inphi must be successfully integrated. Historically, Marvell and Inphi have been independent companies, and they will continue to be operated as such until the completion of the Mergers. The integration may be complex and time consuming and may require substantial resources and effort. The management of HoldCo may face significant challenges in consolidating the operations of Marvell and Inphi, integrating the technologies, procedures, and policies, as well as addressing the different corporate cultures of the two companies and retaining key personnel. If the companies are not successfully integrated, the anticipated benefits of the mergers may not be realized fully or at all or may take longer to realize than expected.

WE ARE SUBJECT TO RISKS ASSOCIATED WITH OUR STRATEGIC TRANSACTIONS

Recent, current and potential future acquisitions, strategic investments, divestitures, mergers or joint ventures may subject us to significant risks, any of which could harm our business.

Our long-term strategy has included in the past, as discussed below, and may continue to include in the future identifying and acquiring, investing in or merging with suitable candidates on acceptable terms, or divesting of certain business lines or activities. In particular, over time, we may acquire, make investments in, or merge with providers of product offerings that complement our business or may terminate such activities.

For example:

- On September 19, 2019, we completed the acquisition of Aquantia Corp. (“Aquantia”);
- On November 5, 2019, we completed the acquisition of Avera Semiconductor, the Application Specific Integrated Circuit (ASIC) business of GlobalFoundries (“Avera”);
- On December 6, 2019, we sold NXP USA, Inc. certain assets related to our Wi-Fi Connectivity business; and
- On October 29, 2020, we entered into the Merger Agreement with Inphi.

Mergers, acquisitions and divestitures include a number of risks and present financial, managerial and operational challenges. Any acquired business, technology, service or product could significantly underperform relative to our expectations and may not achieve the benefits we expect on a timely basis or at all. Given that our resources are limited, our decision to pursue a transaction has opportunity costs; accordingly, if we pursue a particular transaction, we may need to forgo the prospect of entering into other transactions that could help us achieve our strategic objectives.

When we decide to sell assets or a business, we may have difficulty selling on acceptable terms in a timely manner or at all. These circumstances could delay the achievement of our strategic objectives or cause us to incur additional expense, or we may sell a business at a price or on terms that are less favorable than we had anticipated, resulting in a loss on the transaction.

If we do enter into agreements with respect to acquisitions, divestitures, or other transactions, these transactions, or parts of these transactions, may fail to be completed due to factors such as: failure to obtain regulatory or other approvals; disputes or litigation; or difficulties obtaining financing for the transaction.

If we fail to complete a transaction, we may nonetheless have incurred significant expenses in connection with such transaction. Failure to complete a pending transaction may result in negative publicity and a negative perception of us in the investment community.

For all these reasons, our pursuit of an acquisition, investment, divestiture, merger or joint venture could cause our actual results to differ materially from those anticipated.

Recent or potential future acquisitions involve a number of risks, including, among others, those associated with our use of a significant portion of our cash and other financial risks and integration risks.

We used a significant portion of our cash and incurred substantial indebtedness in connection with the financing of our acquisition of Cavium, which was completed in fiscal year 2019. In fiscal year 2020, we used cash and indebtedness to finance our acquisition of Aquantia and indebtedness to finance our acquisition of Avera. As of December 11, 2019, we repaid the entire amount of the indebtedness related to the Aquantia and Avera acquisitions. In addition, Marvell and HoldCo intend to fund the cash portion of the Merger consideration and other fees and expenses required to be paid in connection with the Mergers with new debt. Our use of cash to fund our current and future acquisitions has reduced our liquidity and may (i) limit our flexibility in responding to other business opportunities and (ii) increase our vulnerability to adverse economic and industry conditions.

WE OPERATE GLOBALLY AND ARE SUBJECT TO SIGNIFICANT RISKS IN MANY JURISDICTIONS

Adverse changes in the political and economic policies of the U.S. government in connection with trade with China have reduced the demand for our products and damaged our business.

Regulatory activity, such as enforcement of U.S. export control and sanctions laws, and the imposition of tariffs and export regulations, have in the past and may continue to materially limit our ability to make sales to our significant customers in China, which has in the past and may continue to harm our results of operations, reputation and financial condition. For example, the recent U.S. government export restrictions on a number of Chinese customers, such as Huawei Technologies Co. Ltd., and others have dampened demand for our products, adding to the already challenging macroeconomic environment. An increasing number of Marvell products require licenses for export to Huawei and other companies on the Entity List; there can be no assurances that such licenses will be approved by the U.S. Government. Moreover, concerns that U.S. companies may not be reliable suppliers as a result of these and other actions has caused, and may in the future cause, some of our customers in China to amass large inventories of our products well in advance of need or caused some of our customers to replace our products in favor of products from other suppliers. As a result, the Chinese government has adopted a new law with respect to unreliable suppliers. Being designated as an unreliable supplier would have an adverse impact on our business and operations. In addition, there may be indirect impacts to our business that we cannot easily quantify such as the fact that some of our other customers' products which use our solutions, such as hard disk drives, may also be impacted by export restrictions. Customers in China may also choose to develop indigenous solutions, as replacements for products that are subject to U.S. export controls. If export restrictions related to Chinese customers are sustained for a long period of time, or if other export restrictions were to be imposed as a result of current trade tensions such as restrictions on trade with other countries, it could have an adverse impact on our revenues and results of operations. Recently, the U.S. has announced prohibitions on certain "transactions" including without limitation "any acquisition, importation, transfer, installation, dealing in, or use of any information and communications technology or service" involving TikTok and WeChat. We are continuing to evaluate the impact of these prohibitions on our business, but these actions, in addition to the executive order last year on securing the information and communications technology and services supply chain, may have direct and indirect adverse impacts on our revenues and results of operations in China and elsewhere.

We typically sell products to customers in China pursuant to purchase orders rather than long term purchase commitments. Customers in China can generally cancel or defer purchase orders on short notice without incurring a penalty and, therefore, they may be more likely to do so while the tariffs and trade restrictions are in effect. See also, risk Factor entitled "*We are subject to order and shipment uncertainties. If we are unable to accurately predict customer demand, we may hold excess or obsolete inventory, which would reduce our gross margin. Conversely, we may have insufficient inventory, which would result in lost revenue opportunities and potential loss of market share as well as damaged customer relationships.*" In addition, customers in China that may be subject to trade restrictions or tariffs, may develop their own products or solutions instead of purchasing from us or they may acquire products or solutions from our competitors or other third-party sources that are not subject to the U.S. tariffs and trade restrictions.

Changes to U.S. or foreign tax, trade policy, tariff and import/export regulations may have a material adverse effect on our business, financial condition and results of operations.

Changes in U.S. or foreign international tax, social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories or countries where we currently sell our products or conduct our business have in the past and could in the future adversely affect our business. The U.S. presidential administration has instituted or proposed changes in trade policies that include the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the U.S., economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the U.S. and other countries where we conduct our business. The new tariffs and other changes in U.S. trade policy could trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing trade sanctions on certain U.S. goods. The U.S. presidential administration has indicated a focus on policy reforms that discourage corporations from outsourcing manufacturing and production activities to foreign jurisdictions, including through tariffs or penalties on goods manufactured outside the U.S., which may require us to change the way we conduct business. Political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies and resulting changes to trade, tax or other laws and policies may be disruptive to our businesses. These changes in U.S. and foreign laws and policies have the potential to adversely impact the U.S. economy or certain sectors thereof, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations. See also, *“Adverse changes in the political and economic policies of the U.S. government in connection with trade with China have reduced the demand for our products and damaged our business”* and *“Changes in existing taxation benefits, rules or practices may adversely affect our financial results.”*

We face additional risks due to the extent of our global operations since a majority of our products, and those of our customers, are manufactured and sold outside of the United States. The occurrence of any or a combination of the additional risks described below would significantly and negatively impact our business and results of operations.

A substantial portion of our business is conducted outside of the United States and, as a result, we are subject to foreign business, political and economic risks. Most of our products are manufactured outside of the United States. Our current qualified integrated circuit foundries are located in the same region within Taiwan, and our primary assembly and test subcontractors are located in the Pacific Rim region. In addition, many of our customers are located outside of the United States, primarily in Asia, which further exposes us to foreign risks. Sales shipped to customers with operations in Asia represented approximately 81% and 83% of our net revenue in the three months ended October 31, 2020 and November 2, 2019, respectively.

We also have substantial operations outside of the United States. These operations are directly influenced by the political and economic conditions of the region in which they are located and, with respect to Israel, possible military hostilities periodically affecting the region that could affect our operations there. We anticipate that our manufacturing, assembly, testing and sales outside of the United States will continue to account for a substantial portion of our operations and revenue in future periods.

Accordingly, we are subject to risks associated with international operations, including:

- the rise or spread of global pandemics or actual or threatened public health emergencies such as the COVID-19 pandemic on our operations, employees, customers and suppliers;
- political, social and economic instability, including wars, terrorism, political unrest, boycotts, curtailment of trade and other business restrictions;
- volatile global economic conditions, including downturns in which some competitors may become more aggressive in their pricing practices, which would adversely impact our gross margin;
- compliance with domestic and foreign export and import regulations, including pending changes thereto, and difficulties in obtaining and complying with domestic and foreign export, import and other governmental approvals, permits and licenses;
- local laws and practices that favor local companies, including business practices in which we are prohibited from engaging by the Foreign Corrupt Practices Act and other anti-corruption laws and regulations;
- difficulties in staffing and managing foreign operations;

- natural disasters, including earthquakes, fires, tsunamis and floods;
- trade restrictions, higher tariffs, worsening trade relationship between the United States and China, or changes in cross border taxation, particularly in light of the tariffs imposed by the Trump administration;
- transportation delays;
- difficulties of managing distributors;
- less effective protection of intellectual property than is afforded to us in the United States or other developed countries;
- inadequate local infrastructure; and
- exposure to local banking, currency control and other financial-related risks.

As a result of having global operations, the sudden disruption of the supply chain and/or disruption of the manufacture of our customer's products caused by events outside of our control could impact our results of operations by impairing our ability to timely and efficiently deliver our products.

Moreover, the international nature of our business subjects us to risk associated with the fluctuation of the U.S. dollar versus foreign currencies. Decreases in the value of the U.S. dollar versus currencies in jurisdictions where we have large fixed costs, or where our third-party manufacturers have significant costs, will increase the cost of such operations which could harm our results of operations.

CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS

Unfavorable or uncertain conditions in the 5G infrastructure market may cause fluctuations in our rate of revenue growth or financial results.

Markets for 5G infrastructure may not develop in the manner or in the time periods we anticipate. If domestic and global economic conditions worsen, particularly in light of the impacts of the COVID-19 pandemic and potential global recession resulting therefrom, overall spending on 5G infrastructure may be reduced, which would adversely impact demand for our products in these markets. In addition, unfavorable developments with evolving laws and regulations worldwide related to 5G or 5G suppliers may limit global adoption, impede our strategy, and negatively impact our long-term expectations in this area. Even if the 5G infrastructure market develops in the manner or in the time periods we anticipate, if we do not have timely, competitively priced, market-accepted products available to meet our customers' planned roll-out of 5G wireless communication systems, we may miss a significant opportunity and our business, financial condition, results of operations and cash flows could be materially and adversely affected. See also, *"Our sales are concentrated in a few large customers. If we lose or experience a significant reduction in sales to any of these key customers, if any of these key customers experience a significant decline in market share, or if any of these customers experience significant financial difficulties, our revenue may decrease substantially and our results of operations and financial condition may be harmed."* for additional risks related to export restrictions that may impact a customer in the 5G infrastructure market.

Our sales are concentrated in a few large customers. If we lose or experience a significant reduction in sales to any of these key customers, if any of these key customers experience a significant decline in market share, or if any of these customers experience significant financial difficulties, our revenue may decrease substantially and our results of operations and financial condition may be harmed.

We receive a significant amount of our revenue from a limited number of customers. For example, during the third quarter of fiscal 2021, there was one distributor, whose revenue as a percentage of our net revenue was 10% or greater of total net revenues. In addition, net revenue from our two largest customers, including this distributor, represented 16% of our net revenue for the three months ended October 31, 2020. Sales to our largest customers have fluctuated significantly from period to period and year to year and will likely continue to fluctuate in the future, primarily due to the timing and number of design wins with each customer, the continued diversification of our customer base as we expand into new markets, and natural disasters or other issues that may divert a customer's operations. The loss of any of our large customers or a significant reduction in sales we make to them would likely harm our financial condition and results of operations. To the extent one or more of our large customers experience significant financial difficulty, bankruptcy or insolvency, this could have a material adverse effect on our sales and our ability to collect on receivables, which could harm our financial condition and results of operations.

If we are unable to increase the number of large customers in key markets, then our operating results in the foreseeable future will continue to depend on sales to a relatively small number of customers, as well as the ability of these customers to sell products that incorporate our products. In the future, these customers may decide not to purchase our products at all, purchase fewer products than they did in the past, or alter their purchasing patterns in some other way, particularly because:

- a significant portion of our sales are made on a purchase order basis, which allows our customers to cancel, change or delay product purchase commitments with relatively short notice to us;
- customers may purchase similar products from our competitors;
- customers may discontinue sales or lose market share in the markets for which they purchase our products;
- customers, particularly in jurisdictions such as China that may be subject to trade restrictions or tariffs, may develop their own solutions or acquire fully developed solutions from third-parties;
- customers may be subject to severe business disruptions, including, but not limited to, those driven by financial instability, actual or threatened pandemics, such as the COVID-19 pandemic, or public health emergencies or other global or regional macroeconomic developments; or
- customers may consolidate (for example, Western Digital acquired SanDisk in 2017, and Toshiba Corporation sold control of a portion of its semiconductor business in 2018), which could lead to changing demand for our products, replacement of our products by the merged entity with those of our competitors and cancellation of orders.

We are subject to order and shipment uncertainties. If we are unable to accurately predict customer demand, we may hold excess or obsolete inventory, which would reduce our gross margin. Conversely, we may have insufficient inventory, which would result in lost revenue opportunities and potential loss of market share as well as damaged customer relationships.

We typically sell products pursuant to purchase orders rather than long-term purchase commitments. Customers can generally cancel or defer purchase orders on short notice without incurring a significant penalty. Due to their inability to predict demand or other reasons, some of our customers may accumulate excess inventories and, as a consequence, defer purchase of our products. We cannot accurately predict what or how many products our customers will need in the future. Anticipating demand is difficult because our customers face unpredictable demand for their own products and are increasingly focused more on cash preservation and tighter inventory management. In addition, as an increasing number of our chips are being incorporated into consumer products, we anticipate greater fluctuations in demand for our products, which makes it more difficult to forecast customer demand.

We place orders with our suppliers based on forecasts of customer demand and, in some instances, may establish buffer inventories to accommodate anticipated demand. Our forecasts are based on multiple assumptions, each of which may introduce error into our estimates. For example, our ability to accurately forecast customer demand may be impaired by the delays inherent in our customer's product development processes, which may include extensive qualification and testing of components included in their products, including ours. In many cases, they design their products to use components from multiple suppliers. This creates the risk that our customers may decide to cancel or change product plans for products incorporating our integrated circuits prior to completion, which makes it even more difficult to forecast customer demand.

Our products are incorporated into complex devices and systems, which may create supply chain cross-dependencies. Due to cross dependencies, any supply chain disruptions could negatively impact the demand for our products in the short term. We have a limited ability to predict the timing of a supply chain correction. In addition, the market share of our customers could be adversely impacted on a long-term basis due to any continued supply chain disruption, which could negatively affect our results of operations.

If we overestimate customer demand, our excess or obsolete inventory may increase significantly, which would reduce our gross margin and adversely affect our financial results. The risk of obsolescence and/or excess inventory is heightened for devices designed for consumer electronics due to the rapidly changing market for these types of products. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. In addition, any future significant cancellations or deferrals of product orders or the return of previously sold products could materially and adversely affect our profit margins, increase product obsolescence and restrict our ability to fund our operations.

We operate in intensely competitive markets. Our failure to compete effectively would harm our results of operations.

The semiconductor industry, and specifically the storage, networking and infrastructure markets, is extremely competitive. We currently compete with a number of large domestic and international companies in the business of designing integrated circuits and related applications, some of which have greater financial, technical and management resources than us. Our efforts to introduce new products into markets with entrenched competitors will expose us to additional competitive pressures. For example, we are facing, and expect we will continue to face, significant competition in the infrastructure, networking and SSD storage markets. Additionally, customer expectations and requirements have been evolving rapidly. For example, customers now expect us to provide turnkey solutions and commit to future roadmaps that have technical risks.

Some of our competitors may be better situated to meet changing customer needs and secure design wins. Increasing competition in the markets in which we operate may negatively impact our revenue and gross margins. For example, competitors with greater financial resources may be able to offer lower prices than us, or they may offer additional products, services or other incentives that we may not be able to match.

We also may experience discriminatory or anti-competitive practices by our competitors that could impede our growth, cause us to incur additional expense or otherwise negatively affect our business. In addition, some of these competitors may use their market power to dissuade our customers from purchasing from us. For example, certain U.S. and E.U. regulators are currently investigating whether a competitor may have abused its dominant market position to harm competition by forcing customers to deal with it exclusively, bundling its various semiconductors with other products, or by distorting the market by using illegal rebates.

In addition, many of our competitors operate and maintain their own fabrication facilities and have longer operating histories, greater name recognition, larger customer bases, and greater sales, marketing and distribution resources than we do.

In addition, the semiconductor industry has experienced increased consolidation over the past several years. For example, Microchip Technology acquired Microsemi in May 2018 and ON Semiconductor purchased Quantenna Communications, Inc. in June 2019, NVIDIA Corporation acquired Mellanox Technologies on April 27, 2020 and Infineon acquired Cypress Semiconductors on April 16, 2020. In July 2020, Analog Devices Inc. announced its intent to merge with Maxim Integrated Products Inc. In September 2020, NVIDIA announced its intent to acquire Arm Limited. We license technology from Arm Limited and would be adversely impacted if the pricing for, or availability of, the relevant technology is changed in an adverse manner as a result of this transaction. In October 2020, AMD announced its intent to acquire Xilinx, Inc. Consolidation among our competitors has led, and in the future could lead, to a changing competitive landscape, capabilities and market share, which could put us at a competitive disadvantage and harm our results of operations.

A significant portion of our revenue comes from the storage industry, which experiences rapid technological change, is subject to industry consolidation, is facing increased competition from alternative technologies and is highly cyclical.

We depend on a few customers for our SSD controllers and as such, the loss of any SSD controller customer or a significant reduction in sales we make to them may harm our financial condition and results of operations. SSD customers have, and may in the future develop their own controllers, which could pose a challenge to our market share in the SSD space and adversely affect our revenues in the storage business.

Furthermore, future changes in the nature of information storage products and personal computing devices could reduce demand for traditional HDDs. For example, products using alternative technologies, such as SSD and other storage technologies are a source of competition to manufacturers of HDDs. Although we offer SSD controllers, leveraging our technology in hard drives, we cannot ensure that our overall business will not be adversely affected if demand for traditional HDDs decreases.

Manufacturers tend to order more components than they may need during growth periods, and sharply reduce orders for components during periods of contraction. Rapid technological changes in the industry often result in shifts in market share among the industry's participants. If the HDD and SSD manufacturers using our products do not retain or increase their market share, our sales may decrease.

In addition, the storage industry has experienced significant consolidation. Consolidation among our customers will lead to changing demand for our products, replacement of our products by the merged entity with those of our competitors and cancellation of orders, each of which could harm our results of operations. If we are unable to leverage our technology and customer relationships, we may not capitalize on the increased opportunities for our products within the combined company.

This industry has historically been cyclical, with periods of increased demand and rapid growth followed by periods of oversupply and subsequent contraction. These cycles may affect us because some of our largest customers participate in this industry.

As a result, the average selling price of each of our products usually declines as individual products mature and competitors enter the market.

Our gross margin and results of operations may be adversely affected in the future by a number of factors, including decreases in average selling prices of products over time and shifts in our product mix as well as the price increase of certain components and testing and assembly.

The products we develop and sell are primarily used for high-volume applications. As a result, the prices of those products have historically decreased rapidly. In addition, our more recently introduced products tend to have higher associated costs because of initial overall development and production expenses. Therefore, over time, we may not be able to maintain or improve our gross margins. Our financial results could suffer if we are unable to offset any reductions in our average selling prices by other cost reductions through efficiencies, introduction of higher margin products and other means.

To attract new customers or retain existing customers, we may offer certain price concessions to certain customers, which could cause our average selling prices and gross margins to decline. In the past, we have reduced the average selling prices of our products in anticipation of future competitive pricing pressures, new product introductions by us or by our competitors and other factors. We expect that we will continue to have to reduce prices of existing products in the future. Moreover, because of the wide price differences across the markets we serve, the mix and types of performance capabilities of our products sold may affect the average selling prices of our products and have a substantial impact on our revenue and gross margin. We may enter new markets in which a significant amount of competition exists, and this may require us to sell our products with lower gross margins than we earn in our established businesses. If we are successful in growing revenue in these markets, our overall gross margin may decline. Fluctuations in the mix and types of our products may also affect the extent to which we are able to recover the fixed costs and investments associated with a particular product, and as a result may harm our financial results.

Additionally, because we do not operate our own manufacturing, assembly or testing facilities, we may not be able to reduce our costs as rapidly as companies that operate their own facilities and our costs may even increase, which could also reduce our gross margins. Our gross margin could also be impacted by increased cost (including those caused by tariffs), loss of cost savings or dilution of savings due to changes in charges incurred due to inventory holding periods if parts ordering does not correctly anticipate product demand or if the financial health of either contract manufacturers or suppliers deteriorates as well as excess inventory and inventory holding and obsolescence charges. In addition, we are subject to risks from fluctuating market prices of certain components, which are incorporated into our products or used by our suppliers to manufacture our products. Supplies of these components may from time to time become restricted, or general market factors and conditions may affect pricing of such commodities. Any increase in the price of components used in our products will adversely affect our gross margins.

Entry into new markets, such as markets with different business models, as a result of our acquisitions may reduce our gross margin and operating margin. For example, the Avera business uses an ASIC model to offer end-to-end solutions for IP, design team, Fab & packaging to deliver a tested, yielded product to customers. This business model tends to have a lower gross margin. In addition, the costs related to this type of business model typically include significant NRE (non-recurring engineering) costs that customers pay based on the completion of milestones. Our operating margin may decline if our customers do not agree to pay for NREs or if they do not pay enough to cover the costs we incur in connection with NREs. In addition, our operating margin may decline if we are unable to sell products in sufficient volumes to cover the development costs that we have incurred.

WE ARE VULNERABLE TO PRODUCT DEVELOPMENT AND MANUFACTURING-RELATED RISKS

We may experience increased actual and opportunity costs as a result of our transition to smaller geometry process technologies.

In order to remain competitive, we have transitioned, and expect to continue to transition, our semiconductor products to increasingly smaller line width geometries. We periodically evaluate the benefits, on a product-by-product basis, of migrating to smaller geometry process technologies. We also evaluate the costs of migrating to smaller geometry process technologies including both actual costs such as increased mask costs and wafer costs and increased costs related to EDA tools and the opportunity costs related to the technologies we choose to forego. These transitions are imperative for us to be competitive with the rest of the industry and to target some of our product development in high growth areas to these advanced nodes, which has resulted in significant initial design and development costs.

We have been, and may continue to be, dependent on our relationships with our foundry subcontractors to transition to smaller geometry processes successfully. We cannot ensure that the foundries we use will be able to effectively manage any future transitions. If we or any of our foundry subcontractors experience significant delays in a future transition or fail to efficiently implement a transition, we could experience reduced manufacturing yields, delays in product deliveries and increased expenses, all of which could harm our relationships with our customers and our results of operations.

As smaller geometry processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as customer and third-party intellectual property, into our products. However, we may not be able to achieve higher levels of design integration or deliver new integrated products on a timely basis, if at all. Moreover, even if we are able to achieve higher levels of design integration, such integration may have a short-term adverse impact on our results of operations, as we may reduce our revenue by integrating the functionality of multiple chips into a single chip.

We rely on our customers to design our products into their systems, and the nature of the design process requires us to incur expenses prior to customer commitments to use our products or recognizing revenues associated with those expenses which may adversely affect our financial results.

One of our primary focuses is on winning competitive bid selection processes, known as “design wins,” to develop products for use in our customers’ products. We devote significant time and resources in working with our customers’ system designers to understand their future needs and to provide products that we believe will meet those needs and these bid selection processes can be lengthy. If a customer’s system designer initially chooses a competitor’s product, it becomes significantly more difficult for us to sell our products for use in that system because changing suppliers can involve significant cost, time, effort and risk for our customers. Thus, our failure to win a competitive bid can result in our foregoing revenues from a given customer’s product line for the life of that product. In addition, design opportunities may be infrequent or may be delayed. Our ability to compete in the future will depend, in large part, on our ability to design products to ensure compliance with our customers’ and potential customers’ specifications. We expect to invest significant time and resources and to incur significant expenses to design our products to ensure compliance with relevant specifications.

We often incur significant expenditures in the development of a new product without any assurance that our customers' system designers will select our product for use in their applications. We often are required to anticipate which product designs will generate demand in advance of our customers expressly indicating a need for that particular design. Even if our customers' system designers select our products, a substantial period of time will elapse before we generate revenues related to the significant expenses we have incurred.

The reasons for this delay generally include the following elements of our product sales and development cycle timeline and related influences:

- our customers usually require a comprehensive technical evaluation of our products before they incorporate them into their designs,
- it can take from six months to three years from the time our products are selected to commence commercial shipments; and
- our customers may experience changed market conditions or product development issues. The resources devoted to product development and sales and marketing may not generate material revenue for us, and from time to time, we may need to write off excess and obsolete inventory if we have produced product in anticipation of expected demand. We may spend resources on the development of products that our customers may not adopt. If we incur significant expenses and investments in inventory in the future that we are not able to recover, and we are not able to compensate for those expenses, our operating results could be adversely affected. In addition, if we sell our products at reduced prices in anticipation of cost reductions but still hold higher cost products in inventory, our operating results would be harmed.

Additionally, even if system designers use our products in their systems, we cannot assure you that these systems will be commercially successful or that we will receive significant revenue from the sales of our products for those systems. As a result, we may be unable to accurately forecast the volume and timing of our orders and revenues associated with any new product introductions.

Additionally, failure of our customers to agree to pay for NRE (non-recurring engineering) costs or failure to pay enough to cover the costs we incur in connection with NREs may harm our financial results. See also, "*Research and Development*" under Results of Operations.

If we are unable to develop and introduce new and enhanced products that achieve market acceptance in a timely and cost-effective manner, our results of operations and competitive position will be harmed.

Our future success will depend on our ability to develop and introduce new products and enhancements to our existing products that address customer requirements, in a timely and cost-effective manner and are competitive as to a variety of factors. For example, for our products addressing the 5G market, we must successfully identify customer requirements and design, develop and produce products on time that compete effectively as to price, functionality and performance. We sell products in markets that are characterized by rapid technological change, evolving industry standards, frequent new product introductions, and increasing demand for higher levels of integration and smaller process geometries. In addition, the development of new silicon devices is highly complex and, due to supply chain cross-dependencies and other issues, we may experience delays in completing the development, production and introduction of our new products. See also, "*We may be unable to protect our intellectual property, which would negatively affect our ability to compete.*"

Our ability to adapt to changes and to anticipate future standards, and the rate of adoption and acceptance of those standards, will be a significant factor in maintaining or improving our competitive position and prospects for growth. We may also have to incur substantial unanticipated costs to comply with these new standards. Our success will also depend on the ability of our customers to develop new products and enhance existing products for the markets they serve and to introduce and promote those products successfully and in a timely manner. Even if we and our customers introduce new and enhanced products to the market, those products may not achieve market acceptance.

We rely on independent foundries and subcontractors for the manufacture, assembly and testing of our integrated circuit products, and the failure of any of these third-party vendors to deliver products or otherwise perform as requested could damage our relationships with our customers, decrease our sales and limit our ability to grow our business.

We do not have our own manufacturing or assembly facilities and have very limited in-house testing facilities. Therefore, we currently rely on several third-party foundries to produce our integrated circuit products. We also currently rely on several third-party assembly and test subcontractors to assemble, package and test our products. This exposes us to a variety of risks, including the following:

Regional Concentration

Substantially all of our products are manufactured by third-party foundries located in Taiwan, and other sources are located in China, Germany, South Korea, Singapore and the United States. In addition, substantially all of our third-party assembly and testing facilities are located in China, Malaysia, Singapore and Taiwan. Because of the geographic concentration of these third-party foundries, as well as our assembly and test subcontractors, we are exposed to the risk that their operations may be disrupted by regional disasters including, for example, earthquakes (particularly in Taiwan and elsewhere in the Pacific Rim close to fault lines), tsunamis or typhoons, or by pandemics or other actual or threatened public health emergencies such as the COVID-19 pandemic, or by political, social or economic instability. In the case of such an event, our revenue, cost of goods sold and results of operations would be negatively impacted. In addition, there are limited numbers of alternative foundries and identifying and implementing alternative manufacturing facilities would be time consuming. As a result, if we needed to implement alternate manufacturing facilities, we could experience significant expenses and delays in product shipments, which could harm our results of operations.

No Guarantee of Capacity or Supply

The ability of each foundry to provide us with semiconductor devices is limited by its available capacity and existing obligations. When demand is strong, availability of foundry capacity may be constrained or not available, and with limited exceptions, our vendors are not obligated to perform services or supply products to us for any specific period, in any specific quantities, or at any specific price, except as may be provided in a particular purchase order. We place our orders on the basis of our customers' purchase orders or our forecast of customer demand, and the foundries can allocate capacity to the production of other companies' products and reduce deliveries to us on short notice. It is possible that foundry customers that are larger and better financed than we are or that have long-term agreements with our main foundries may induce our foundries to reallocate capacity to those customers. Our foundries and outsourced assembly and test suppliers may reallocate capacity to their customers offering them a better margin or rate of return than provided by the Company. This reallocation could impair our ability to secure the supply of components that we need. In particular, as we and others in our industry transition to smaller geometries, our manufacturing partners may be supply constrained or may charge premiums for these advanced technologies, which may harm our business or results of operations. See also, *"We may experience difficulties in transitioning to smaller geometry process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased expenses."* Moreover, if any of our third-party foundry suppliers, outsourced assembly and test suppliers, or other suppliers are unable to secure the necessary raw materials from their suppliers, lose benefits under material agreements, experience power outages, lack sufficient capacity to manufacture our products, encounter financial difficulties or suffer any other disruption or reduction in efficiency, we may encounter supply delays or disruptions, which could harm our business or results of operations.

For example, in response to growth in demand from customers for our products, our operations team is continuing to ramp production with our global supply chain partners. However, we have begun to experience a number of industry-wide supply constraints affecting the type of high complexity products we provide for data infrastructure. These supply challenges are currently limiting our ability to fully satisfy the increase in demand for some of our networking products.

While we attempt to create multiple sources for our products, most of our products are not manufactured at more than one foundry at any given time, and our products typically are designed to be manufactured in a specific process at only one of these foundries. Accordingly, if one of our foundries is unable to provide us with components as needed, it would be difficult for us to transition the manufacture of our products to other foundries, and we could experience significant delays in securing sufficient supplies of those components. This could result in a material decline in our revenue, net income and cash flow.

In order to secure sufficient foundry capacity when demand is high and to mitigate the risks described in the foregoing paragraph, we may enter into various arrangements with our foundries, outsourced assembly and test suppliers, or other suppliers that could be costly and harm our results of operations, such as nonrefundable deposits with or loans to such parties in exchange for capacity commitments, or contracts that commit us to purchase specified quantities of integrated circuits over extended periods. We may not be able to make any such arrangement in a timely fashion or at all, and any arrangements may be costly, reduce our financial flexibility, and not be on terms favorable to us. Moreover, if we are able to secure foundry capacity, we may be obligated to use all of that capacity or incur penalties. These penalties may be expensive and could harm our financial results.

Uncertain Yields and Quality

The fabrication of integrated circuits is a complex and technically demanding process. Our technology is transitioning from planar to FINFET transistors. This transition may result in longer qualification cycles and lower yields. Our foundries have from time to time experienced manufacturing defects and lower manufacturing yields, which are difficult to detect at an early stage of the manufacturing process and may be time consuming and expensive to correct. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundries could result in lower than anticipated manufacturing yields or unacceptable performance. In addition, we may face lower manufacturing yields and reduced quality in the process of ramping up and diversifying our manufacturing partners. Poor yields from our foundries, or defects, integration issues or other performance problems with our products could cause us significant customer relations and business reputation problems, harm our financial performance and result in financial or other damages to our customers. Our customers could also seek damages in connection with product liability claims, which would likely be time consuming and costly to defend. In addition, defects could result in significant costs. See also, “*Costs related to defective products could have a material adverse effect on us.*”

To the extent that we rely on outside suppliers to manufacture or assemble and test our products, we may have a reduced ability to directly control product delivery schedules and quality assurance, which could result in product shortages or quality assurance problems that could delay shipments or increase costs.

Commodity Prices

We are also subject to risk from fluctuating market prices of certain commodity raw materials, including gold and copper, which are incorporated into our end products or used by our suppliers to manufacture our end products. Supplies for such commodities may from time to time become restricted, or general market factors and conditions may affect pricing of such commodities.

Costs related to defective products could have a material adverse effect on us.

From time to time, we have experienced hardware and software defects and bugs associated with the introduction of our highly complex products. Despite our testing procedures, we cannot ensure that errors will not be found in new products or releases after commencement of commercial shipments in the future. Such errors could result in:

- loss of or delay in market acceptance of our products;
- material recall and replacement costs;
- delay in revenue recognition or loss of revenue;
- writing down the inventory of defective products;
- the diversion of the attention of our engineering personnel from product development efforts;
- our having to defend against litigation related to defective products or related property damage or personal injury; and
- damage to our reputation in the industry that could adversely affect our relationships with our customers.

In addition, the process of identifying a recalled product in devices that have been widely distributed may be lengthy and require significant resources. We may have difficulty identifying the end customers of the defective products in the field, which may cause us to incur significant replacement costs, contract damage claims from our customers and further reputational harm. Any of these problems could materially and adversely affect our results of operations.

Despite our best efforts, security vulnerabilities may exist with respect to our products. Mitigation techniques designed to address such security vulnerabilities, including software and firmware updates or other preventative measures, may not operate as intended or effectively resolve such vulnerabilities. Software and firmware updates and/or other mitigation efforts may result in performance issues, system instability, data loss or corruption, unpredictable system behavior, or the theft of data by third parties, any of which could significantly harm our business and reputation.

We rely on third-party distributors and manufacturers' representatives and the failure of these distributors and manufacturers' representatives to perform as expected could reduce our future sales.

From time to time, we enter into relationships with distributors and manufacturers' representatives to sell our products, and we are unable to predict the extent to which these partners will be successful in marketing and selling our products. Moreover, many of our distributors and manufacturers' representatives also market and sell competing products, and may terminate their relationships with us at any time. Our future performance will also depend, in part, on our ability to attract additional distributors or manufacturers' representatives that will be able to market and support our products effectively, especially in markets in which we have not previously distributed our products. If we cannot retain or attract quality distributors or manufacturers' representatives, our sales and results of operations will be harmed.

CHANGES IN OUR EFFECTIVE TAX RATE MAY REDUCE OUR NET INCOME

Changes in existing taxation benefits, rules or practices may adversely affect our financial results.

Changes in existing taxation benefits, rules or practices may also have a significant effect on our reported results. Both the U.S. Congress and the G-20 (Group of Twenty Finance Ministers and Central Bank Governors) may consider legislation affecting the taxation of foreign corporations and such legislation if enacted might adversely affect our future tax liabilities and have a material impact on our results of operations.

In addition, in prior years, we have entered into agreements in certain foreign jurisdictions that if certain criteria are met, the foreign jurisdiction will provide a more favorable tax rate than their current statutory rate. For example, we have obtained an undertaking from the Minister of Finance of Bermuda that in the event Bermuda enacts legislation imposing tax computed on profits, income, or capital asset, gain or appreciation, then the imposition of any such taxes will not apply to us until March 31, 2035. Additionally, our Singapore subsidiary qualifies for the Development and Expansion Incentive until June 2024. Furthermore, under the Israeli Encouragement law of "approved or benefited enterprise," our subsidiary in Israel, Marvell Israel (M.I.S.L.) Ltd., is entitled to, and has certain existing programs that qualify as, approved and benefited tax programs that include reduced tax rates and exemption of certain income through fiscal 2027. Moreover, receipt of past and future benefits under tax agreements may depend on our ability to fulfill commitments regarding employment of personnel or performance of specified activities in the applicable jurisdiction. Changes in our business plans, including divestitures, could result in termination of an agreement or loss of benefits thereunder. If any of our tax agreements in any of these foreign jurisdictions were terminated, our results of operations could be harmed.

The Organization for Economic Cooperation and Development has been working on a Base Erosion and Profit Sharing Project, and issued in 2015, and is expected to continue to issue, guidelines and proposals that may change various aspects of the existing framework under which our tax obligations are determined in some of the countries in which we do business. We can provide no assurance that changes in tax laws and additional investigations as a result of this project would not have an adverse tax impact on our international operations. In addition, the European Union ("EU") has initiated its own measures along similar lines. In December 2017, the EU identified certain jurisdictions (including Bermuda and Cayman Islands) which it considered had a tax system that facilitated offshore structuring by attracting profits without commensurate economic activity. To avoid EU "blacklisting", both Bermuda and Cayman Islands introduced new legislation in December 2018, which came into force on January 1, 2019. These new laws require Bermuda and Cayman companies carrying on one or more "relevant activity" (including: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service center, intellectual property or holding company) to maintain a substantial economic presence in Bermuda to comply with the economic substance requirements. It is still not clear how the Bermuda and Cayman Islands authorities will interpret and enforce these new rules. To the extent that we are required to maintain more of a presence in Bermuda or the Cayman Islands, such requirements will increase our costs either directly in those locations or indirectly as a result of increased costs related to moving our operations to other jurisdictions.

In addition, in a prior period, the Company transferred certain intellectual property to a related entity in Singapore. The impact to the Company was determined based on our determination of the fair value of this property, which required management to make significant estimates and to apply complex tax regulations in multiple jurisdictions. In a future period, local tax authorities may challenge the fair value determinations made by the Company, which could adversely impact our expected tax benefits from this transaction.

On October 29, 2020, the Company entered into a definitive agreement (the “Merger Agreement”) with Inphi Corporation (“Inphi”), Maui HoldCo, Inc., Maui Acquisition Company Ltd., a Bermuda exempted company and a wholly owned subsidiary of HoldCo (“Bermuda Merger Sub”), and Indigo Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of HoldCo (“Delaware Merger Sub”), pursuant to which, subject to the terms and conditions of the Merger Agreement, the Company will acquire Inphi with cash and stock consideration. Pursuant to the Merger Agreement: (i) Bermuda Merger Sub will be merged with and into Marvell (the “Bermuda Merger”), with Marvell continuing as a wholly owned subsidiary of HoldCo; and (ii) Delaware Merger Sub will be merged with and into Inphi (the “Delaware Merger” and, together with the Bermuda Merger, the “Mergers”), with Inphi continuing as a wholly owned subsidiary of HoldCo. As a result of this transaction, upon closing, the parent company will be domiciled in the US and not Bermuda. As a result, the combined group will be subject to taxation in the US, which currently has federal tax rate of 21%. This may cause our overall effective tax rate to increase significantly versus our current corporate effective tax rate as a Bermuda-domiciled company, which could materially impact our financial results, including our earnings and cash flow, for periods after the completion of the proposed Mergers.

Our profitability and effective tax rate could be impacted by unexpected changes to our statutory income tax rates or income tax liabilities. Such changes might include changes in tax law or regulations, changes to our geographic mix of earnings, changes in the valuation of deferred tax assets and liabilities, changes in our supply chain and changes due to audit assessments. In particular, the tax benefits associated with our transfer of intellectual property to Singapore are sensitive to future profitability and taxable income in Singapore, audit assessments, and changes in applicable tax law. Our current corporate effective tax rate fluctuates significantly from period to period, and is based upon the application of currently applicable income tax laws, regulations and treaties, as well as current judicial and administrative interpretations of these income tax laws, regulations and treaties, in various jurisdictions.

WE ARE SUBJECT TO RISKS RELATED TO OUR ASSETS

We are exposed to potential impairment charges on certain assets.

We had approximately \$5.3 billion of goodwill and \$2.4 billion of acquired intangible assets on our unaudited condensed consolidated balance sheet as of October 31, 2020. Under generally accepted accounting principles in the United States, we are required to review our intangible assets including goodwill for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. We perform an assessment of goodwill for impairment annually on the last business day of our fiscal fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. When testing goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value or we may determine to proceed directly to the quantitative impairment test.

Factors we consider important in the qualitative assessment which could trigger a goodwill impairment review include: significant underperformance relative to historical or projected future operating results; significant changes in the manner of our use of the acquired assets or the strategy for our overall business; significant negative industry or economic trends; a significant decline in our stock price for a sustained period; and a significant change in our market capitalization relative to our net book value.

We assess the impairment of intangible assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Circumstances which could trigger a review include, but are not limited to the following: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

For example, during the second quarter ended August 1, 2020, we made changes to the scope of our server processor product line in response to changes in the associated market. We are transitioning our product offering from standard server processors to the broad server market to focus only on customized server processors for a few targeted customers. This change in strategy required the Company to assess whether the carrying value of the associated assets would be recoverable. As a result of the assessment, we determined the carrying amount of certain impacted assets are not recoverable, which have resulted in recognition during the quarter of \$119.0 million of restructuring related charges associated with the server processor product line. See “Note 5 - Restructuring” in the Notes to the Unaudited Condensed Consolidated Financial Statements for further information.

We have determined that our business operates as a single operating segment with two primary components (Storage and Networking), which we have concluded can be aggregated into a single reporting unit for purposes of testing goodwill impairment. The fair value of the reporting unit is determined by taking our market capitalization as determined through quoted market prices and as adjusted for a control premium and other relevant factors. If our fair value declines to below our carrying value, we could incur significant goodwill impairment charges, which could negatively impact our financial results. If in the future a change in our organizational structure results in more than one reporting unit, we will be required to allocate our goodwill and perform an assessment of goodwill for impairment in each reporting unit. As a result, we could have an impairment of goodwill in one or more of such future reporting units.

In addition, from time to time, we have made investments in private companies. If the companies that we invest in are unable to execute their plans and succeed in their respective markets, we may not benefit from such investments, and we could potentially lose the amounts we invest. We evaluate our investment portfolio on a regular basis to determine if impairments have occurred. If the operations of any businesses that we have acquired declines significantly, we could incur significant intangible asset impairment charges. Impairment charges could have a material impact on our results of operations in any period.

We are subject to the risks of owning real property.

Our buildings in Santa Clara, California and Shanghai, China subject us to the risks of owning real property, which include, but are not limited to:

- the possibility of environmental contamination and the costs associated with remediating any environmental problems;
- adverse changes in the value of these properties due to interest rate changes, changes in the neighborhood in which the property is located, or other factors;
- the possible need for structural improvements in order to comply with zoning, seismic and other legal or regulatory requirements;
- the potential disruption of our business and operations arising from or connected with a relocation due to moving to or renovating the facility;
- increased cash commitments for improvements to the buildings or the property, or both;
- increased operating expenses for the buildings or the property, or both;
- possible disputes with third parties related to the buildings or the property, or both;
- failure to achieve expected cost savings due to extended non-occupancy of a vacated property intended to be leased; and
- the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the buildings as a result of earthquakes, floods and/or other natural disasters.

WE ARE SUBJECT TO IP RISKS AND RISKS ASSOCIATED WITH LITIGATION AND REGULATORY PROCEEDINGS

We may be unable to protect our intellectual property, which would negatively affect our ability to compete.

We believe one of our key competitive advantages results from the collection of proprietary technologies we have developed and acquired since our inception, and the protection of our intellectual property rights is, and will continue to be, important to the success of our business. If we fail to protect these intellectual property rights, competitors could sell products based on technology that we have developed, which could harm our competitive position and decrease our revenue.

We rely on a combination of patents, copyrights, trademarks, trade secrets, contractual provisions, confidentiality agreements, licenses and other methods, to protect our proprietary technologies. We also enter into confidentiality or license agreements with our employees, consultants and business partners, and control access to and distribution of our documentation and other proprietary information. Notwithstanding these agreements, we have experienced disputes with employees regarding ownership of intellectual property in the past. To the extent that any third party has a claim to ownership of any relevant technologies used in our products, we may not be able to recognize the full revenue stream from such relevant technologies.

We have been issued a significant number of U.S. and foreign patents and have a significant number of pending U.S. and foreign patent applications. However, a patent may not be issued as a result of any applications or, if issued, claims allowed may not be sufficiently broad to protect our technology. In addition, it is possible that existing or future patents may be challenged, invalidated or circumvented. We may also be required to license some of our patents to others including competitors as a result of our participation in and contribution to development of industry standards. Despite our efforts, unauthorized parties may attempt to copy or otherwise obtain and use our products or proprietary technology. Monitoring unauthorized use of our technology is difficult, and the steps that we have taken may not prevent unauthorized use of our technology, particularly in jurisdictions where the laws may not protect our proprietary rights as fully as in the United States or other developed countries. If our patents do not adequately protect our technology, our competitors may be able to offer products similar to ours, which would adversely impact our business and results of operations. We have implemented security systems with the intent of maintaining the physical security of our facilities and protecting our confidential information including our intellectual property. Despite our efforts, we may be subject to breach of these security systems and controls which may result in unauthorized access to our facilities and labs and/or unauthorized use or theft of the confidential information and intellectual property we are trying to protect. If we fail to protect these intellectual property rights, competitors could sell products based on technology that we have developed, which could harm our competitive position and decrease our revenue.

Certain of our software, as well as that of our customers, may be derived from so-called “open source” software that is generally made available to the public by its authors and/or other third parties. Open source software is made available under licenses that impose certain obligations on us in the event we were to distribute derivative works of the open source software. These obligations may require us to make source code for the derivative works available to the public and/or license such derivative works under a particular type of license, rather than the forms of license we customarily use to protect our intellectual property. While we believe we have complied with our obligations under the various applicable licenses for open source software, in the event that the copyright holder of any open source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work to the public and/or stop distribution of that work if the license is terminated which could adversely impact our business and results of operations.

We must comply with a variety of existing and future laws and regulations that could impose substantial costs on us and may adversely affect our business.

We are subject to laws and regulations worldwide, which may differ among jurisdictions, affecting our operations in areas including, but not limited to: intellectual property ownership and infringement; tax; import and export requirements; anti-corruption; foreign exchange controls and cash repatriation restrictions; conflict minerals; data privacy requirements; competition; advertising; employment; product regulations; environment, health and safety requirements; and consumer laws. For example, government export regulations apply to the encryption or other features contained in some of our products. If we fail to continue to receive licenses or otherwise comply with these regulations, we may be unable to manufacture the affected products at foreign foundries or ship these products to certain customers, or we may incur penalties or fines. In addition, we are subject to various industry requirements restricting the presence of certain substances in electronic products. Although our management systems are designed to maintain compliance, we cannot assure you that we have been or will be at all times in compliance with such laws and regulations. Our compliance programs rely in part on compliance by our suppliers, vendors and distributors. To the extent such third parties don't comply with these obligations our business, operations and reputation may be adversely impacted. If we violate or fail to comply with any of the above requirements, a range of consequences could result, including fines, import/export restrictions, sales limitations, criminal and civil liabilities or other sanctions. The costs of complying with these laws (including the costs of any investigations, auditing and monitoring) could adversely affect our current or future business.

Our product or manufacturing standards could also be impacted by new or revised environmental rules and regulations or other social initiatives. For example, a significant portion of our revenues come from international sales. Environmental legislation, such as the EU Directive on Restriction of Hazardous Substances (RoHS), the EU Waste Electrical and Electronic Equipment Directive (WEEE Directive) and China's regulation on Management Methods for Controlling Pollution Caused by Electronic Information Products, may increase our cost of doing business internationally and impact our revenues from the EU, China and other countries with similar environmental legislation as we endeavor to comply with and implement these requirements.

In connection with some of our acquisitions, we have been subject to regulatory conditions imposed by the Committee on Foreign Investment in the United States (CFIUS) where we have agreed to implement certain cyber security, physical security and training measures and supply agreements to protect national security. A portion of the business we acquired in the Avera acquisition requires facility security clearances under the National Industrial Security Program. The National Industrial Security Program requires that a corporation maintaining a facility security clearance be effectively insulated from foreign ownership, control or influence ("FOCI"). Because we are organized in Bermuda, we have entered into agreements with the U.S. Department of Defense with respect to FOCI mitigation arrangements that relate to our operation of the portion of the Avera business involving facility clearances. These measures and arrangements may materially and adversely affect our operating results due to the increased cost of compliance with these measures. If we fail to comply with our obligations under these agreements, our ability to operate our business may be adversely affected. As a result of the proposed transaction with Inphi, our parent company will be domiciled in the United States upon closing of the transaction. As a result, we plan to request to be released from some of the above obligations. We can offer no assurance that such a request will be granted in a timely manner or at all.

Primarily as a result of our acquisition of Avera, we are now a party to certain contracts with the U.S. government. Our contracts with government entities are subject to various procurement regulations and other requirements relating to their formation, administration and performance. We may be subject to audits and investigations relating to our government contracts, and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refunding or suspending of payments, forfeiture of profits, payment of fines, and suspension or debarment from future government business. In addition, such contracts may provide for termination by the government at any time, without cause. Any of these risks related to contracting with governmental entities could adversely impact our future sales and operating results.

We have been named as a party to several legal proceedings and may be named in additional ones in the future, including litigation involving our patents and other intellectual property, which could subject us to liability, require us to indemnify our customers, require us to obtain or renew licenses, require us to stop selling our products or force us to redesign our products.

We are currently, and have been in the past, named as a party to several lawsuits, government inquiries or investigations and other legal proceedings (referred to as “litigation”), and we may be named in additional ones in the future. Please see “Note 10 - Commitments and Contingencies” of our Notes to the Unaudited Condensed Consolidated Financial Statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q for a more detailed description of material litigation matters in which we may be currently engaged. In particular, litigation involving patents and other intellectual property is widespread in the high-technology industry and is particularly prevalent in the semiconductor industry, where a number of companies and other entities aggressively bring numerous infringement claims to assert their patent portfolios. The amount of damages alleged in intellectual property infringement claims can often be very significant. See also, “*We may be unable to protect our intellectual property, which would negatively affect our ability to compete.*”

From time to time, our subsidiaries and customers receive, and may continue to receive in the future, standards-based or other types of infringement claims, as well as claims against us and our subsidiaries’ proprietary technologies. These claims could result in litigation and/or claims for indemnification, which, in turn, could subject us to significant liability for damages, attorneys’ fees and costs. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling, offering for sale, making, having made or exporting products or using technology that contains the allegedly infringing intellectual property;
- limit or restrict the type of work that employees involved in such litigation may perform for us;
- pay substantial damages and/or license fees and/or royalties to the party claiming infringement or other license violations that could adversely impact our liquidity or operating results;
- attempt to obtain or renew licenses to the relevant intellectual property, which licenses may not be available on reasonable terms or at all; and
- attempt to redesign those products that contain the allegedly infringing intellectual property.

Under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses for current and former directors and officers. See also, “*Our indemnification obligations and limitations of our director and officer liability insurance may have a material adverse effect on our financial condition, results of operations and cash flows.*” Additionally, from time to time, we have agreed to indemnify select customers for claims alleging infringement of third-party intellectual property rights, including, but not limited to, patents, registered trademarks and/or copyrights. If we are required to make a significant payment under any of our indemnification obligations, our results of operations may be harmed.

The ultimate outcome of litigation could have a material adverse effect on our business and the trading price for our securities. Litigation may be time consuming, expensive, and disruptive to normal business operations, and the outcome of litigation is difficult to predict. Litigation, regardless of the outcome, may result in significant expenditures, diversion of our management’s time and attention from the operation of our business and damage to our reputation or relationship with third parties, which could materially and adversely affect our business, financial condition, results of operations, cash flows and stock price.

WE ARE SUBJECT TO RISKS RELATED TO OUR DEBT OBLIGATIONS

Our indebtedness could adversely affect our financial condition and our ability to raise additional capital to fund our operations and limit our ability to react to changes in the economy or our industry.

On July 6, 2018, in connection with our acquisition of Cavium, we incurred substantial indebtedness pursuant to a Credit Agreement. The Credit Agreement provides for a \$900.0 million Term Loan. The Term Loan will mature on July 6, 2021. As of October 31, 2020, the outstanding principal balance of the Term Loan amounted to \$350 million. See “Note 9 - Debt” for discussion of the debt financing in the Notes to Consolidated Financial Statements set forth in Part II, Item 8 of the Annual Report on Form 10-K.

In addition to the loans under the credit agreements, on June 22, 2018, we completed a public offering of (i) \$500.0 million aggregate principal amount of the Company's 4.200% Senior Notes due 2023 (the "2023 Notes") and (ii) \$500.0 million aggregate principal amount of the Company's 4.875% Senior Notes due 2028 (the "2028 Notes" and, together with the 2023 Notes, the "Senior Notes"). We are obligated to pay interest on the Senior Notes on June 22 and December 22 of each year, beginning on December 22, 2018. The 2023 Notes will mature on June 22, 2023 and the 2028 Notes will mature on June 22, 2028.

In addition, we intend to pay the cash portion of the consideration for the Mergers and other fees and expenses required to be paid in connection with the Mergers from cash on hand and borrowings. We have obtained financing commitments for (i) a \$2.5 billion senior 364-day bridge term loan facility (the "Bridge Facility") pursuant to a commitment letter (the "Bridge Commitment Letter") dated as of October 29, 2020, with JPMorgan Chase Bank, N.A. ("JPMorgan"), and (ii) a \$1.5 billion senior unsecured term loan facility comprised of a \$750.0 million 3-year term loan tranche (the "3 Year Term Loan") and a \$750.0 million 5-year term loan tranche (the "5-Year Term Loan," and collectively with the 3-Year Term Loan, the "Term Loan Facility") pursuant to a facilities commitment letter (the "Facilities Commitment Letter" and, together with the Bridge Commitment Letter, the "Debt Commitment Letters") dated as of October 29, 2020, with JPMorgan. Pursuant to the Debt Commitment Letters, subject to the terms and conditions set forth therein, JPMorgan has committed to provide the full amount of the Bridge Facility and the Term Loan Facility. The funding of the Bridge Facility provided for in the Bridge Commitment Letter and the funding of the Term Loan Facility provided for in the Facilities Commitment Letter, in each case, is contingent upon the satisfaction of customary conditions, including (i) execution and delivery of definitive documentation with respect to the Bridge Facility and Term Loan Facility in accordance with the terms set forth in the applicable Commitment Letters and (ii) consummation of the Mergers in accordance with the Merger Agreement. The actual documentation governing the Bridge Facility and the Term Loan Facility has not been finalized, and accordingly, the actual terms may differ from the description of such terms in the applicable Debt Commitment Letters. Availability under the Bridge Facility will be reduced by the net cash proceeds from customary mandatory commitment reduction and prepayment events from issuances of equity, the incurrence of certain other debt or the sale of available assets, in each case subject to limited exceptions. We expect to replace some or all of the Bridge Facility prior to the closing of the Mergers with permanent financing comprised of senior unsecured notes. There can be no assurance that the permanent financing will be completed.

Our indebtedness could have important consequences to us including:

- increasing our vulnerability to adverse general economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts, execution of our business strategy, acquisitions and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in the economy and the semiconductor industry;
- placing us at a competitive disadvantage compared to our competitors with less indebtedness;
- exposing us to interest rate risk to the extent of our variable rate indebtedness; and
- making it more difficult to borrow additional funds in the future to fund growth, acquisitions, working capital, capital expenditures and other purposes.

Although the credit agreements contain restrictions on our ability to incur additional indebtedness and the indenture under which the Senior Notes were issued contains restrictions on creating liens and entering into certain sale-leaseback transactions, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness, liens or sale-leaseback transactions incurred in compliance with these restrictions could be substantial.

The credit agreements and the Senior Notes contain customary events of default upon the occurrence of which, after any applicable grace period, the lenders would have the ability to immediately declare the loans due and payable in whole or in part. In such event, we may not have sufficient available cash to repay such debt at the time it becomes due, or be able to refinance such debt on acceptable terms or at all. Any of the foregoing could materially and adversely affect our financial condition and results of operations.

We may not be able to access cash or to incur additional indebtedness if the COVID-19 pandemic causes the closure of banks for an extended period of time or if there is a sudden increase in requests for indebtedness at one time by many potential borrowers which could overwhelm the banking industry.

Adverse changes to our debt ratings could negatively affect our ability to raise additional capital.

We receive debt ratings from the major credit rating agencies in the United States. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term production growth opportunities. Liquidity, asset quality, cost structure, reserve mix and commodity pricing levels could also be considered by the rating agencies. The applicable margins with respect to the Term Loan will vary based on the applicable public ratings assigned to the collateralized, long-term indebtedness for borrowed money by Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC, Fitch's and any successor to each such rating agency business. A ratings downgrade could adversely impact our ability to access debt markets in the future and increase the cost of current or future debt and may adversely affect our share price.

The Credit Agreements and the indenture under which the Senior Notes were issued impose restrictions on our business.

The credit agreements and the indenture for the Senior Notes each contains a number of covenants imposing restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions, among other things, restrict our ability and our subsidiaries' ability to create or incur certain liens, incur or guarantee additional indebtedness, merge or consolidate with other companies, pay dividends, transfer or sell assets and make restricted payments. These restrictions are subject to a number of limitations and exceptions set forth in the credit agreements and the indenture for the Senior Notes. Our ability to meet the liquidity covenant or the leverage ratio set forth in the credit agreements may be affected by events beyond our control.

The foregoing restrictions could limit our ability to plan for, or react to, changes in market conditions or our capital needs. We do not know whether we will be granted waivers under, or amendments to, our credit agreements or to the Senior Notes if for any reason we are unable to meet these requirements, or whether we will be able to refinance our indebtedness on terms acceptable to us, or at all.

We may be unable to generate the cash flow to service our debt obligations.

We may not be able to generate sufficient cash flow to enable us to service our indebtedness, including the Senior Notes, or to make anticipated capital expenditures. Our ability to pay our expenses and satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures will depend on our future performance, which will be affected by general economic, financial competitive, legislative, regulatory and other factors beyond our control. If we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt (including the Senior Notes) or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or borrow more money on terms acceptable to us, if at all. If we cannot make scheduled payments on our debt, we will be in default and holders of our debt could declare all outstanding principal and interest to be due and payable, and we could be forced into bankruptcy or liquidation. In addition, a material default on our indebtedness could suspend our eligibility to register securities using certain registration statement forms under SEC guidelines that permit incorporation by reference of substantial information regarding us, potentially hindering our ability to raise capital through the issuance of our securities and increasing our costs of registration.

We may, under certain circumstances, be required to repurchase the Senior Notes at the option of the holder.

We will be required to repurchase the Senior Notes at the option of each holder upon the occurrence of a change of control repurchase event as defined in the indenture for the Senior Notes. However, we may not have sufficient funds to repurchase the notes in cash at the time of any change of control repurchase event. Our failure to repurchase the Senior Notes upon a change of control repurchase event would be an event of default under the indenture for the Senior Notes and could cause a cross-default or acceleration under certain future agreements governing our other indebtedness. The repayment obligations under the Senior Notes may have the effect of discouraging, delaying or preventing a takeover of our company. If we were required to pay the Senior Notes prior to their scheduled maturity, it could have a significant negative impact on our cash and liquidity and could impact our ability to invest financial resources in other strategic initiatives.

WE ARE SUBJECT TO CYBERSECURITY RISKS

Cybersecurity risks could adversely affect our business and disrupt our operations.

We depend heavily on our technology infrastructure and maintain and rely upon certain critical information systems for the effective operation of our business. We routinely collect and store sensitive data in our information systems, including intellectual property and other proprietary information about our business and that of our customers, suppliers and business partners. These information technology systems are subject to damage or interruption from a number of potential sources, including, but not limited to, natural disasters, destructive or inadequate code, malware, power failures, cyber-attacks, internal malfeasance or other events. Cyber-attacks on us may include viruses and worms, phishing attacks, and denial-of-service attacks. In addition, we may be the target of email scams that attempt to acquire personal information or company assets.

We have implemented processes for systems under our control intended to mitigate risks; however, we can provide no guarantee that those risk mitigation measures will be effective. While we have historically been successful in defending against cyber-attacks and breaches, given the frequency of cyber-attacks and resulting breaches reported by other businesses and governments, it is likely we will experience one or more breaches of some extent in the future. We have incurred and may in the future incur significant costs in order to implement, maintain and/or update security systems we feel are necessary to protect our information systems, or we may miscalculate the level of investment necessary to protect our systems adequately. Since the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures.

The Company's business also requires it to share confidential information with suppliers and other third parties. Although the Company takes steps to secure confidential information that is provided to third parties, such measures may not always be effective and data breaches, losses or other unauthorized access to or releases of confidential information may occur and could materially adversely affect the Company's reputation, financial condition and operating results and could result in liability or penalties under data privacy laws.

To the extent that any system failure, accident or security breach results in material disruptions or interruptions to our operations or the theft, loss or disclosure of, or damage to our data or confidential information, including our intellectual property, our reputation, business, results of operations and/or financial condition could be materially adversely affected.

GENERAL RISK FACTORS

We depend on highly skilled personnel to support our business operations. If we are unable to retain and motivate our current personnel or attract additional qualified personnel, our ability to develop and successfully market our products could be harmed.

We believe our future success will depend in large part upon our ability to attract and retain highly skilled managerial, engineering, sales and marketing personnel. The competition for qualified technical personnel with significant experience in the design, development, manufacturing, marketing and sales of integrated circuits is intense, both in the Silicon Valley where our U.S. operations are based and in global markets in which we operate. Our inability to attract and retain qualified personnel, including hardware and software engineers and sales and marketing personnel, could delay the development and introduction of, and harm our ability to sell, our products. Our ability to attract and retain qualified personnel also depends on how well we maintain a strong workplace culture that is attractive to employees. Changes to United States immigration policies that restrict our ability to attract and retain technical personnel may negatively affect our research and development efforts.

We typically do not enter into employment agreements with any of our key technical personnel and the loss of such personnel could harm our business, as their knowledge of our business and industry would be extremely difficult to replace. The impact on employee morale experienced in connection with our recent restructuring efforts and in connection with our recent acquisitions and divestiture, could make it more difficult for us to add to our workforce when needed due to speculation regarding our future restructuring activities. In addition, as a result of our acquisitions and divestiture, our current and prospective employees may experience uncertainty about their futures that may impair our ability to retain, recruit or motivate key management, engineering, technical and other personnel.

There can be no assurance that we will continue to declare cash dividends or effect share repurchases in any particular amount or at all, and statutory requirements under Bermuda Law may require us to defer payment of declared dividends or suspend share repurchases.

In May 2012, we declared our first quarterly cash dividend and in October 2018, we announced that our board of directors had authorized a \$700 million addition to our previously existing \$1 billion share repurchase program. An aggregate of \$1.1 billion of shares have been repurchased under that program as of October 31, 2020. Future payment of a regular quarterly cash dividend on our common shares and future share repurchases will be subject to, among other things: the best interests of our company and our shareholders; our results of operations, cash balances and future cash requirements; financial condition; developments in ongoing litigation; statutory requirements under Bermuda law; market conditions; and other factors that our Board of Directors may deem relevant. Our dividend payments or share repurchases may change from time to time, and we cannot provide assurance that we will continue to declare dividends or repurchase shares in any particular amounts or at all. A reduction in, a delay of, or elimination of our dividend payments or share repurchases could have a negative effect on our share price. Our share repurchase program was temporarily suspended in late March 2020 to preserve cash during the COVID-19 pandemic and remains temporarily suspended in anticipation of the funding of our acquisition of Inphi. Although share repurchases were temporarily suspended during this time, as of October 31, 2020, there was \$564.5 million remaining available for future share repurchases of the authorization.

Our indemnification obligations and limitations of our director and officer liability insurance may have a material adverse effect on our financial condition, results of operations and cash flows.

Under Bermuda law, our articles of association and bye-laws and certain indemnification agreements to which we are a party, we have an obligation to indemnify, or we have otherwise agreed to indemnify, certain of our current and former directors and officers with respect to past, current and future investigations and litigation. For example, we incurred significant indemnification expenses in connection with the Audit Committee's independent investigation completed in March 2016 and related shareholder litigation and government investigations. In connection with some of these matters, we were required to, or we otherwise agreed to, advance, and have advanced, legal fees and related expenses to certain of our current and former directors and officers. Further, in the event the directors and officers are ultimately determined not to be entitled to indemnification, we may not be able to recover any amounts we previously advanced to them.

We cannot provide any assurances that future indemnification claims, including the cost of fees, penalties or other expenses, will not exceed the limits of our insurance policies, that such claims are covered by the terms of our insurance policies or that our insurance carrier will be able to cover our claims. Additionally, to the extent there is coverage of these claims, the insurers also may seek to deny or limit coverage in some or all of these matters.

Furthermore, the insurers could become insolvent and unable to fulfill their obligation to defend, pay or reimburse us for insured claims. Accordingly, we cannot be sure that claims will not arise that are in excess of the limits of our insurance or that are not covered by the terms of our insurance policy. Due to these coverage limitations, we may incur significant unreimbursed costs to satisfy our indemnification obligations, which may have a material adverse effect on our financial condition, results of operations or cash flows.

As we carry only limited insurance coverage, any incurred liability resulting from uncovered claims could adversely affect our financial condition and results of operations.

Our insurance policies may not be adequate to fully offset losses from covered incidents, and we do not have coverage for certain losses. For example, there is very limited coverage available with respect to the services provided by our third-party foundries and assembly and test subcontractors. In the event of a natural disaster (such as an earthquake or tsunami), political or military turmoil, widespread public health emergencies including pandemics, including the COVID-19 pandemic, or other significant disruptions to their operations, insurance may not adequately protect us from this exposure. We believe our existing insurance coverage is consistent with common practice, economic considerations and availability considerations. If our insurance coverage is insufficient to protect us against unforeseen catastrophic losses, any uncovered losses could adversely affect our financial condition and results of operations.

If we were classified as a passive foreign investment company, there would be adverse tax consequences to U.S. holders of our ordinary shares.

If we were classified as a “passive foreign investment company” or “PFIC” under section 1297 of the Internal Revenue Code, of 1986, as amended (the “Code”), for any taxable year during which a U.S. holder holds ordinary shares, such U.S. holder generally would be taxed at ordinary income tax rates on any gain realized on the sale or exchange of the ordinary shares and on any “excess distributions” (including constructive distributions) received on the ordinary shares. Such U.S. holder could also be subject to a special interest charge with respect to any such gain or excess distribution.

We would be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which either (i) at least 75% of our gross income is passive income or (ii) on average, the percentage of our assets that produce passive income or are held for the production of passive income is at least 50% (determined on an average gross value basis). We were not classified as a PFIC for fiscal year 2020 or in any prior taxable year. Whether we will, in fact, be classified as a PFIC for any subsequent taxable year depends on our assets and income over the course of the relevant taxable year and, as a result, cannot be predicted with certainty. In particular, because the total value of our assets for purposes of the asset test will be calculated based upon the market price of our ordinary shares, a significant and sustained decline in the market price of our ordinary shares and corresponding market capitalization relative to our passive assets could result in our being classified as a PFIC. There can be no assurance that we will not be classified as a PFIC in the future or the Internal Revenue Service will not challenge our determination concerning PFIC status for any prior period.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

There were no sales of unregistered equity securities during the three months ended October 31, 2020.

Issuer Purchases of Equity Securities

Our share repurchase program was temporarily suspended in late March 2020 to preserve cash during the COVID-19 pandemic. As a result, the Company did not repurchase any shares during the three months ended October 31, 2020. Although share repurchases are temporarily suspended, we have \$564.5 million of repurchase authority remaining under our current share repurchase program.

Item 5. Other Information

Change of Address.

Effective as of October 31, 2020, the Company's principal executive offices moved to Victoria Place, 5th Floor 31 Victoria Street, Hamilton HM 10, Bermuda. This change in address is not related to the proposed changes in our structure related to the closing of the transaction with Inphi.

Compensatory Arrangements of Certain Officers.

As part of the offer letter that Marvell Technology Group Ltd. (the "Company") entered into in connection with the recruitment of Mr. Matthew J. Murphy as President and Chief Executive Officer in 2016, the Company entered into a Severance Agreement with Mr. Murphy that provided for certain severance benefits should he be terminated in the future. Following the Company's annual review of executive severance agreements, on December 1, 2020, the parties extended the agreement's duration and made certain other changes. The terms of the amended Severance Agreement are summarized below.

If Mr. Murphy's employment is terminated by the Company for other than "Cause" or if he resigns for "Good Reason" (both as defined in the Severance Agreement), provided he executes and does not revoke a release of claims in a form provided by the Company, he will receive: (a) a lump sum separation payment equal to the sum of two times his then annual base salary, (b) 100% of his target incentive bonus, (c) reimbursement for 12 months of medical insurance premiums, and (d) acceleration of certain equity grants as described below. For each Equity Award (as defined in the Severance Agreement) subject only to time-based vesting, the vesting will be accelerated as if Mr. Murphy had remained employed through the date 18 months following the termination of employment date, and (b) for each Equity Award subject to performance-based vesting to the extent that the performance measurement has been completed and shares based on that performance will vest thereafter solely based on time, the vesting will be accelerated as if Mr. Murphy had remained employed through the date 18 months following the termination of employment date. There shall be no acceleration with respect to that portion of any Equity Awards based on performance where the performance measurement has not been achieved.

The amended Severance Agreement shall terminate upon the later of (i) January 1, 2023 or (ii) if Mr. Murphy is terminated involuntarily by the Company without Cause prior to January 1, 2023, the date that all of the obligations of the parties hereto with respect to this agreement have been satisfied.

The foregoing description of the amended Severance Agreement is qualified in its entirety by reference to the full text of the agreement filed as Exhibit 10.6 incorporated herein by reference.

Item 6. Exhibits

Exhibit No.	Item	Form	File Number	Incorporated by Reference from Exhibit Number	Filed with SEC
2.1	Agreement and Plan of Merger and Reorganization, dated as of October 29, 2020, by and among Marvell Technology Group Ltd., Inphi Corporation, Maui HoldCo, Inc., Maui Acquisition Company Ltd and Indigo Acquisition Corp.	8-K	000-30877	2.1	October 30, 2020
10.1#	Amended and Restated 1995 Stock Option Plan, amended through September 2020				Filed herewith
10.2#	Form of Stock Unit Agreement and Notice of Grant for use with 1995 Stock Option Plan (amended as of September 2020)				Filed herewith
10.3#	2000 Employee Stock Purchase Plan Form of Subscription Agreement as amended September 2020				Filed herewith
10.4	Commitment Letter, dated as of October 29, 2020, by and among Marvell Technology Group Ltd., Maui HoldCo, Inc., and JPMorgan Chase Bank, N.A.	8-K	000-30877	10.1	October 30, 2020
10.5	Facilities Commitment Letter, dated as of October 29, 2020, by and among Marvell Technology Group Ltd., Maui HoldCo, Inc. and JPMorgan Chase Bank, N.A.	8-K	000-30877	10.2	October 30, 2020
10.6	Severance Agreement with Matt Murphy as amended December 1, 2020				Filed herewith
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer				Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer				Filed herewith
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Principal Executive Officer				Filed herewith
32.2*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Principal Financial Officer				Filed herewith
101.INS	Inline XBRL Instance Document				Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document				Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Document				Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				Filed herewith
104	The cover page for this Form 10-Q, formatted in Inline XBRL (included in Exhibit 101)				Filed herewith

Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

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 thereunto duly authorized.

MARVELL TECHNOLOGY GROUP LTD.

Date: December 4, 2020

By: /s/ JEAN HU

Jean Hu
Chief Financial Officer
(Principal Financial Officer)

MARVELL TECHNOLOGY GROUP LTD.

AMENDED AND RESTATED

1995 STOCK OPTION PLAN

(As amended April 16, 2015 and September 24, 2020)

1. Purpose. This Plan is intended to attract and retain the best available individuals as Employees, Consultants and Outside Directors of the Company and its Subsidiaries, to provide additional incentives to those Employees, Consultants and Outside Directors, and to promote the success of the Company's business.

2. Defined Terms. The meanings of defined terms (generally, capitalized terms) in this Plan are provided in Section 21 ("Glossary").

3. Shares Reserved. Subject to Section 14, Shares that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of 383,440,718 Shares of Common Stock. The Shares may be authorized, but unissued, or reacquired Common Stock. If an Award under the Plan expires or becomes unexercisable for any reason, the Shares subject to such Award which have not been issued shall be available for future issuance under this Plan. Shares retained to satisfy tax withholding obligations do not reduce the number authorized for issuance.

4. Administration.

(a) In General. This Plan shall be administered by the Board or a Committee appointed by the Board. 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.

(b) Committee Composition. The Board may provide for administration of this Plan with respect to Officers and directors of the Company by a Committee constituted so as to satisfy:

(i) such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act.

A Committee appointed under this Section 4(b) may be separate from any Committee appointed to administer this Plan with respect to Employees who are neither Officers nor directors. Within the limitations of this Section 4(b), any reference in the Plan to the Committee shall include such committee or committees appointed pursuant to this Section 4.

(c) Powers of the Administrator. Subject to the provisions of this Plan and in the case of a Committee, subject to the specific duties delegated by the Board, the Administrator shall have the authority, in its sole and absolute discretion:

(i) to determine the Fair Market Value of the Common Stock;

(ii) to grant Awards to such Consultants, Outside Directors and Employees as it selects;

(iii) to determine the terms and conditions of each Award granted, including without limitation the number of Shares subject to each Award, the exercise price per Share of Optioned Stock;

(iv) to approve forms of agreement for use under this Plan;

(v) to determine whether and under what circumstances to offer to buy out an Option for cash or Shares under Section 12;

(vi) to modify grants of Awards to participants who are foreign nationals or employed outside of the United States in order to recognize differences in local law, tax policies, or customs; and

(vii) to construe and interpret the terms of this Plan and of each Award granted pursuant to this Plan.

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

5. Eligibility.

(a) General. Nonstatutory Stock Options and other Awards (other than Incentive Stock Options) may be granted to Employees, Consultants and Outside Directors. An Employee, Consultant or Outside Director who has been granted an Award may, if otherwise eligible, be granted additional Awards. Incentive Stock Options may no longer be granted under the Plan.

(b) Limitations.

(i) While the Company or a successor has outstanding any class of equity securities required to be registered under Section 12 of the Exchange Act, the following limitations shall apply to grants of Awards to Employees:

(ii) No Employee shall be granted, in any fiscal year of the Company, Awards with respect to more than 4,000,000 Shares, in the aggregate, adjusted proportionately in connection with any change in the Company's capitalization as described in Section 14. If an Award is granted but canceled in the same fiscal year, it shall nonetheless count against the foregoing limit. Reduction of an Option's exercise price is treated as a cancellation of the Option and the grant of a new Option.

(iii) Director Limitations.

(A) No Outside Director may be granted, in any fiscal year of the Company, cash-settled Awards with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than \$500,000, increased to \$1,000,000 in connection with his or her initial service.

(B) No Outside Director may be granted, in any fiscal year of the Company, stock-settled Awards with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than \$500,000, increased to \$1,000,000 in connection with his or her initial service.

6. Term of Options. The term of each Option shall be determined by the Administrator at the time of grant but shall not exceed ten years.

7. Date of Option Grant. Unless otherwise determined by the Administrator, the date of grant of an Option shall be the date on which the Administrator completes the actions necessary to grant the Option. Notice of the grant shall be given to the Optionee within a reasonable time after the date of the grant.

8. Option Exercise Price and Form of Consideration.

(a) Price. The per-Share exercise price of an Option shall be determined by the Administrator at the time of grant, but the per-Share exercise price shall be at least the Fair Market Value on the date of grant.

(b) Form of Payment. Payment for Shares upon exercise of an Option shall be made in any lawful consideration approved by the Administrator and may, without limitation, consist of (1) cash, (2) check, (3) other Shares that have a Fair Market Value on the date of payment equal to the aggregate exercise price of the Shares as to which Option is exercised; provided, however, that the Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes, (4) delivery by a broker or brokerage firm approved by the Administrator of a properly executed exercise notice together with payment of the exercise price and such other documentation as the Administrator shall require, (5) net exercise or (6) any combination of the foregoing. Notwithstanding the foregoing, a form of payment shall not be available if the Administrator determines, in its sole and absolute discretion, that such form of payment could violate any law or regulation.

9. Option Exercise.

(a) Exercisability. Each Option shall be exercisable at such times and under such conditions as determined by the Administrator at the time of grant.

(b) Vesting. Each Option and the corresponding Optioned Stock shall vest at such times and under such conditions as determined by the Administrator at the time of grant, and as are otherwise permissible under the terms of this Plan, including without limitation, performance criteria with respect to the Company and/or the Optionee.

(c) Fractional Shares. An Option may not be exercised for a fraction of a Share.

(d) Manner of Exercise; Rights as a Shareholder. Unless otherwise allowed by the Administrator, an Option shall be exercised by delivery to the Company of all of the following: (i) written notice of exercise by the Optionee, in a form approved by the Administrator and in accordance with the terms of the Option, (ii) full payment for the Shares with respect to which the Option is exercised, and (iii) payment (or provision for payment) of withholding taxes pursuant to Subsection (g), below. Delivery of any of the foregoing may be by electronic means approved by the Administrator. The Optionee shall be treated as a shareholder of the Company with respect to the purchased Shares upon completion of exercise of the Option.

(e) Optionee Representations. If Shares purchasable pursuant to the exercise of an Option have not been registered under the Securities Act of 1933, as amended, at the time the Option is exercised, the Optionee shall, if required by the Administrator, as a condition to exercise of all or any portion of the Option, deliver to the Company an investment representation statement in a form approved by the Administrator.

(f) Termination of Employment or Consulting Relationship. If an Optionee's Continuous Service terminates, the Optionee (or the Optionee's estate or heirs, if termination is due to death or the Optionee dies during the post-termination exercise period of the Option) may exercise the Option, (i) only within such period of time as is determined by the Administrator (but no later than the expiration date for the Option determined by the Administrator at the time of grant) and the Option shall terminate at the end of that period, and (ii) unless otherwise determined by the Administrator, only to the extent that the Optionee was entitled to exercise it at the date of termination.

(g) Tax Withholding. The Company's obligation to deliver Shares upon exercise of an Option is subject to payment (or provision for payment satisfactory to the Administrator) by the Optionee of all federal, state, and local income and employment taxes that the Administrator determines in its discretion to be due as a result of the exercise of the Option or sale of the Shares.

10. Rule 16b-3. Except to the extent determined by the Administrator, Awards granted to persons subject to Section 16(b) of the Exchange Act shall comply with Rule 16b-3 and shall contain such terms as may be required or desirable to qualify Plan transactions for the maximum exemption from Section 16 of the Exchange Act.

11. Non-Transferability of Options. Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

12. Buyout of Options. The Administrator may at any time offer to buy out an 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.

13. Other Awards. The Administrator may from time to time grant other stock-based awards to eligible Employees and Consultants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine and set forth in the applicable Grant Agreement, including without limitation the following:

(a) Stock Appreciation Rights. The Administrator may from time to time grant Awards of stock appreciation rights (“SAR”). An SAR entitles the Grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Grant Agreement, times (ii) the number of shares specified by the SAR, or portion thereof, which is exercised. Payment by the Company of the amount receivable upon any exercise of an SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator. If upon settlement of the exercise of an SAR a Grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(b) Stock Awards. The Administrator may from time to time grant restricted or unrestricted Awards of Common Stock in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine.

(c) Stock Units. The Administrator may from time to time grant Awards denominated in stock-equivalent units (“stock units”) in such amounts and on such terms and conditions as it shall determine. Stock units shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company’s assets. An Award of stock units may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator. Except as otherwise provided in the applicable Grant Agreement, the Grantee shall not have the rights of a stockholder with respect to any shares of Common Stock represented by a stock unit solely as a result of the grant of a stock unit to the Grantee.

(d) Performance Awards. The Administrator may, in its discretion, grant performance awards which become payable on account of attainment of one or more performance goals established by the Administrator. Performance awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator. Performance goals established by the Administrator may be based on one or more business criteria selected by the Administrator that apply to an individual or group of individuals, a business unit, or the Company as a whole, over such performance period as the Administrator may designate. The Administrator may grant awards intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code under terms and conditions set forth in Appendix A.

(e) Other Stock-Based Awards. The Administrator may grant other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock, or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Administrator.

(f) Deferral of Awards.

The Administrator (in its sole discretion) may provide that Shares or cash that otherwise would be delivered to a Grantee as a result of the exercise of an Option or other settlement of an Award may be converted into amounts credited to a deferred compensation account established for such Grantee by the Administrator as an entry on the Company's books. A deferred compensation account established under this Section 13(f) may be credited with interest or other forms of investment return, as determined by the Administrator. A Grantee for whom such an account is established shall have no rights other than those of a general creditor of the Company. Such an account shall represent an unfunded and unsecured obligation of the Company and shall be subject to the terms and conditions of the applicable Grant Agreement between such Participant and the Company. The Administrator (in its sole discretion) shall establish Grant rules, procedures and forms pertaining to any deferral of Awards pursuant to this Section 13(f).

14. Changes in Capitalization or Control.

(a) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares of Optioned Stock or of other Shares subject to an outstanding Award, and the number of Shares that have been authorized for issuance under this Plan but as to which no Options or other Awards have then been granted (including the number of shares automatically added to the Plan on annual basis as provided for in Section 3(i) and (ii)), or that have been returned to this Plan upon cancellation or expiration of an Option or an Award, as well as the price per Share of Optioned Stock or of other Shares subject to an outstanding Award, shall be proportionately adjusted for any change in the number of issued Shares 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 or price of Shares subject to this Plan.

(b) Change in Control. The Administrator may, in its discretion, determine at any time from and after the grant of an Award the effect that a Change in Control shall have upon the Award; provided, however, that a Change in Control shall not have the effect of impairing the rights of any Grantee under any then-outstanding Award without his or her prior written consent. Without limiting the foregoing sentence, the Administrator may determine that upon a Change in Control, an Option:

(i) 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;

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

(iii) shall be cancelled in exchange for cash in the amount of the excess of the fair market value of the Optioned Shares over the exercise price upon termination; or

(iv) shall be treated as provided under a combination of clauses (i) through (iii), 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 14(b), (A) the occurrence of any of the foregoing clauses (i), (ii), (iii) or (iv) shall not constitute an impairment of the rights of any Optionee and (B) the "Administrator" shall be the Administrator as constituted before the Change in Control occurs.

15. Amendments; Termination. The Board may at any time amend, alter, suspend, discontinue or terminate this Plan, but no such action shall impair the rights of any Grantee under any then-outstanding Award without his or her prior written consent.

16. Securities Regulation Requirements.

(a) Compliance with Rule. In general, Shares shall not be issued pursuant to the exercise of an Option or pursuant to any other Award unless the exercise of the Option or other Award and issuance of the Shares comply with all relevant provisions of law, including, without limitation, any applicable state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, the requirements of any stock exchange or national market system upon which the Shares may then be listed, and the requirements of any regulatory body having jurisdiction.

(b) Optionee Investment Representation. As a condition to the exercise of an Option, the Company may require the person exercising the Option to represent and warrant that the Shares are being purchased only for investment and without any present intention to sell or distribute the Shares if, in the opinion of counsel for the Company, such a representation is required by law.

17. Written Agreements. Awards shall be evidenced by written agreements in a form the Administrator approves from time to time. Delay in executing a written agreement shall not affect the date of grant of an Option; however, an Option may not be exercised until a written agreement has been executed by the Company and the Optionee.

18. Shareholder Approval. This Plan is subject to approval by the shareholders of the Company within 12 months after the Board initially adopts this Plan. Shareholder approval shall be obtained in the degree and manner required under applicable state and federal law and the rules of any stock exchange or national market system upon which the Common Stock is listed.

19. No Employment Rights. This Plan does not confer upon any Grantee any right with respect to continuation of employment or consulting relationship with the Company, nor shall it interfere in any way with the Company's right to terminate his or her employment or consulting relationship at any time, with or without cause.

20. Term of Plan. This Plan shall become effective upon the earlier to occur of the initial adoption by the Board or initial approval by the shareholders of the Company, as described in Section 18. It shall continue in effect until terminated by the Board pursuant to Section 15.

21. Glossary. The following definitions apply for purposes of this Plan:

(a) "Administrator" means the Board or a committee appointed by the Board under Section 4.

(b) "Award" means any stock option, stock appreciation right, stock award, stock units award, performance award, or other stock-based award granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

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

(i) 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 immediately before the transaction;

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

(iii) the liquidation or dissolution of the Company;

(iv) 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 Exchange Act) 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

(v) 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.

(e) “Code” means the Internal Revenue Code of 1986, as amended.

(f) “Committee” means the committee designated by the Board of Directors, which is authorized to administer the Plan, as described in Section 4 hereof.

(g) “Common Stock” means the common stock of the Company.

(h) “Company” means Marvell Technology Group Ltd., a Bermuda corporation.

(i) “Consultant” means any person, other than an Employee, who is engaged by the Company or any Parent or Subsidiary to perform consulting or advisory services.

(j) “Continuous Service” means that a Grantee’s employment and/or consulting relationship with the Company or a Parent or Subsidiary or service as an Outside Director is not interrupted or terminated. Continuous Service is not interrupted by (i) any leave of absence approved by the Company, (ii) transfers between locations of the Company or between the Company, a Parent, a Subsidiary, or any successor, or (iii) changes in status from Employee to Consultant or Outside Director or from Consultant or Outside Director to Employee.

(k) “Outside Director” means a member of the Board who is not a common law employee of the Company or a Parent or Subsidiary.

(l) “Employee” means any person employed by the Company or any Parent or Subsidiary of the Company.

(m) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(n) “Fair Market Value” means, as of any date, the value of common Stock determined as follows:

(i) If the Common Stock is quoted on an established stock exchange or national market system, including without limitation the National Association of Securities Dealers, Inc. Automated Quotation (“NASDAQ”) National Market System, Fair Market Value shall be the closing sales price (or the closing bid, if no sales are reported) as quoted on that exchange or system for the day of the determination, as reported in *The Wall Street Journal* or an equivalent source, or if the determination date is not a trading day, then on the most recent preceding trading day;

(ii) If the Common Stock is quoted on NASDAQ (but not on the National Market System) or regularly quoted by a recognized securities dealer but selling prices are not reported, Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the day of the determination, or on the most recent preceding trading day if the determination date is not a trading day; or

(iii) In the absence of an established market for the Common Stock, Fair Market Value shall be determined by the Administrator.

(o) “Grant Agreement” means a written document memorializing the terms and conditions of an Award granted pursuant to the Plan and shall incorporate the terms of the Plan.

(p) “Grantee” means the Employee, Consultant or Outside Director who receives an Award.

(q) “Incentive Stock Option” or “ISO” means an Option intended to qualify as an “incentive stock option” within the meaning of, and to the extent otherwise permitted by, Section 422 of the Code.

(r) “Nonstatutory Stock Option” or “NSO” means an Option not intended to qualify as an ISO.

(s) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(t) “Option” means a stock option granted pursuant to this Plan.

(u) “Optioned Stock” means the Common Stock subject to an Option.

(v) “Optionee” means the Employee, Consultant or Outside Director who receives an Option and includes any person who owns all or any part of an Option, or who is entitled to exercise an Option, after the death or disability of an Optionee.

(w) “Parent” means a “parent corporation,” present or future, as defined in Section 424(e) of the Code.

(x) “Plan” means this Amended and Restated 1995 Marvell Technology Group Ltd. Stock Option Plan.

(y) “Share” means a share of the Common Stock, as adjusted in accordance with Section 14(a).

(z) “Subsidiary” means a “subsidiary corporation,” present or future, as defined in Section 424(f) of the Code.

**APPENDIX TO THE AMENDED AND
RESTATED 1995 STOCK OPTION PLAN
OF MARVELL TECHNOLOGY GROUP LTD.
IN RESPECT OF ISRAELI EMPLOYEES**

1. Purpose

The purpose of this Appendix is to modify, to the extent set forth herein, the Amended and Restated 1995 Marvell Technology Group Ltd. Stock Option Plan (the “Plan”) in respect of the Israeli employees of the Marvell Technology Group Ltd. and its affiliates and subsidiaries who are eligible to participate in the Plan in accordance with its terms, in order to reflect the specific requirements of the Israeli law. This Appendix, together with the Plan, is meant to constitute a new “Share Allotment Plan” under the 102 Provisions, as defined below, and applies to stock options granted to the Israeli Employees on or after January 1, 2003.

2. Defined Terms

(a) Capitalized terms used but not defined herein shall have the meanings provided in Section 21 of the Plan.

(b) In addition, in this Appendix, the following terms shall have the meanings set forth beside them:

“102 Provisions”	The provisions of section 102 of the Ordinance and of the relevant income tax regulations, as they shall apply from time to time to shares and options issued hereunder, including the Special Conditions;
“Effective Date”	The latest of the date the Options were issued or the date of the Income Tax Commissioner approval that the Plan satisfies the Special Conditions;
“Employer”	The Company, any of its Subsidiaries or its Parent employing Israeli Employees;
“Israeli Employees”	Employees, officers and directors subject to taxation in Israel;
“Trustee”	A trustee appointed by the Employer for purposes of the Plan and approved by the Israeli tax authorities;
“Ordinance”	The Income Tax Ordinance (New Version), 5721-1961;
“Special Conditions”	Special conditions set by the Israeli Income Tax Commissioner in connection with the issuance of the Options hereunder, by the power vested in him/her under section 102 of the Ordinance, if and to the extent the Commissioner shall so set;
“Tax Lockup Period”	The applicable period of time, in accordance with the selection made by the Employer under section 102 of the Ordinance and in effect at the time of a grant hereunder.

(c) The Israeli Employees shall be entitled to exercise their options in accordance with the terms of the Plan, subject to the terms of this Appendix. In the event of any contradiction between any term of this Appendix and any term of the Plan, the provisions of this Appendix shall override with respect to the Israeli Employees, in respect of whom this Appendix shall constitute an integral part of the Plan and references to the Plan in respect of the Israeli Employees shall be interpreted accordingly.

3. **Special Conditions**

(a) The Employer shall make an Election, as defined in section 102 of the Ordinance, and shall apply to the Income Tax Commissioner to approve the Trustee and the Plan under the 102 Provisions. Subject to the approval of this Plan by the Israeli Income Tax Commissioner, the Special Conditions shall apply to the plan and to this Appendix.

(b) The Administrator shall exercise its discretion under the Plan in accordance with the terms of this Appendix.

4. **Eligibility**

Options shall not be granted to any Israeli Employee who is, or on giving effect to such grant, will become, the holder of a controlling interest ('baal shlita') in the Company, as defined in section 32(9) of the Ordinance.

5. **Trust**

(a) The Options and the Shares shall be issued directly in the name of the Trustee and shall be held in escrow by the Trustee for the Israeli Employees' benefit, for no less than the Tax Lockup Period, all according to the terms of this Appendix.

(b) In the event that bonus shares shall be issued on account of the Shares, such bonus shares shall be issued by the Company to the Trustee. The 102 Provisions shall apply to such bonus shares for all purposes.

(c) The Trustee shall be entitled to set additional exercise procedures to those described in the Plan, as the Trustee shall see fit, provided that the Trustee has given the Company prior written notice of any such procedures.

6. **Taxes**

(a) The Israeli Employees shall be taxed in respect of the Options in accordance with the provisions of the Ordinance, including the 102 Provisions.

(b) Without derogating from section 9(g) of the Plan, any tax imposed in respect of the Options and/or the Shares and/or the sale and/or the transfer of the Options and/or the Shares, including any Social Security and National Health charges, as applicable, shall be borne solely by the Israeli Employee, and in the event of the death of the Israeli Employee, by the Israeli Employee's heirs or successors. The Employer shall not bear the aforementioned taxes, directly or indirectly, nor shall the Employer be required to gross such tax up in the Israeli Employee's salaries or remuneration. The imposed tax shall be paid by the Israeli Employee or deducted, on the date such tax is payable, from the sale consideration paid to the Trustee by the Israeli Employee, as applicable.

(c) At the end of the Tax Lockup Period, the Israeli Employee (or the Israeli Employee's heirs or successors) shall be entitled at any time to instruct the Trustee to transfer the Options or the Shares to which such Israeli Employee is entitled to the Israeli Employee or its nominees, or, if appropriate, to sell the Shares and pay the consideration received to the Israeli Employee. Subject to the 102 Provisions, the Trustee shall not transfer the Options and/or the Shares to the Israeli Employee's name, and shall not transfer the consideration received from the sale of the Shares to the Israeli Employee, unless the conditions set forth in the 102 provisions are fulfilled.

(d) The effects of any future amendment to the tax arrangements, which apply to the issuance of securities to the Israeli Employees, shall apply to the Israeli Employees in accordance with such provisions of law, and the Israeli Employees shall bear the full cost thereof, unless the modified arrangement expressly provides otherwise.

(e) Each Israeli Employee shall indemnify the Employer and/or the Trustee, immediately upon receipt of notice from the Employer and/or the Trustee, for any amount (including interest and/or fines of any type and/or linkage differentials in respect of tax and/or withheld tax) payable by such Israeli Employee under law (including under the 102 Provisions), and which has been paid by the Employer or the Trustee or which the Employer or the Trustee are required to pay by the tax authorities.

7. **Miscellaneous**

(a) The Israeli Employees shall sign any document required by the Trustee or the Income Tax Commission to give effect to the provisions of this Appendix.

(b) Without derogating section 19 of the Plan, it is hereby acknowledged that the Options and/or the Exercise Shares are extraordinary, one-off benefits granted to the Offerees, and are not and shall not be deemed a salary component for any purpose whatsoever, including in connection with calculating severance compensation under the Severance Pay Law, 5723-1963 and the regulations promulgated thereunder.

(c) In the event of a change in control of the Company is proposed during the Tax Lock Up Period, the consummation which will cause the breach of the terms of the 102 Provisions, the Company will use its best efforts to apply to the Israeli Tax Authorities to obtain a pre-ruling to regulate the tax treatment applicable to the Options in the context of the proposed transaction.

(d) Except as expressly provided in this Appendix, the provisions of this Appendix do not supercede any provisions of the Plan, and the provisions of the Plan shall govern all Options granted to Israeli Employees.

**MARVELL TECHNOLOGY GROUP LTD.
AMENDED AND RESTATED 1995 STOCK OPTION PLAN**

STOCK UNIT AGREEMENT

1. Grant. The Company hereby grants to the participant named in the Notice of Grant (“Participant”) an Award of restricted stock units (“Stock Units”), subject to all of the terms and conditions in this Stock Unit Agreement, including any additional terms and conditions for Participant’s country set forth in the appendix attached hereto (the “Appendix” and, collectively with this Stock Unit Agreement, the “Agreement”) and the Amended and Restated 1995 Stock Option Plan (the “Plan”), which is incorporated herein by reference. Capitalized terms used herein but not defined shall have the same meaning as ascribed in the Plan.

2. Company’s Obligation to Pay. Each Stock Unit represents the right to receive a Share on the date it vests. It is a bookkeeping entry that represents only the Company’s unfunded and unsecured promise to issue Shares (or distribute cash) on a future date. As a holder of Stock Units, Participant has no rights other than the rights of a general creditor of the Company. Unless and until the Stock Units will have vested in the manner set forth in Section 3, Participant will have no right to payment under any such Stock Units. Prior to actual payment under any vested Stock Units, such Stock Units will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Stock Units that vest in accordance with Section 3 or 4 will be settled to Participant (or in the event of Participant’s death, to his or her estate or legal representative) in whole Shares, subject to any withholding obligations with respect to Tax-Related Items as defined and set forth in Section 7. Subject to the provisions of Section 4, such vested Stock Units will be paid in Shares as soon as practicable after vesting, but in each such case within the period ending no later than the date that is two and one half (2½) months from the end of the calendar year that includes the vesting date.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Stock Units awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant, unless Participant has provided Continuous Service from the date of grant until the date such vesting occurs in accordance with the provisions of this Agreement. If Participant goes on an approved leave of absence, then, subject to applicable law, the vesting schedule specified in the Notice of Grant will be adjusted to suspend vesting in accordance with the terms and conditions governing the approved leave of absence and, if applicable, the Company’s leave of absence policy as then in effect and as the Company may adopt and/or adjust from time to time.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the unvested Stock Units, or some lesser portion thereof, at any time, subject to the terms of the Plan. If so accelerated, such Stock Units will be considered as having vested as of the date specified by the Administrator.

For U.S. tax purposes, notwithstanding anything in the Plan or this Agreement to the contrary, if the vesting of unvested Stock Units, or some lesser portion thereof, is accelerated in connection with Participant's termination of Continuous Service (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death, and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such termination of Continuous Service and (y) the settlement of such accelerated Stock Units will result in the imposition of additional tax under Section 409A if the underlying Shares are paid to Participant on or within the six (6)-month period following Participant's termination of Continuous Service, then the settlement of such accelerated Stock Units in Shares will not be made until the date six (6) months and one (1) day following the date of Participant's termination of Continuous Service, unless Participant dies following his or her termination of Continuous Service, in which case the Stock Units will be settled in Shares to Participant's estate as soon as practicable following his or her death. It is the intent of this Agreement to comply with the requirements of Section 409A so that none of the Stock Units provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. For purposes of this Agreement, "Section 409A" means Section 409A of the Code and any U.S. Treasury Regulations and U.S. Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture upon Termination of Continuous Service. Notwithstanding any contrary provision of this Agreement, in the event Participant's Continuous Service is terminated (regardless of the reason of the termination and whether or not such termination is later found invalid or in breach of employment laws in the jurisdiction where Participant is employed or otherwise providing services or the terms of Participant's employment or other service agreement, if any), any Stock Units that have not vested as of the date of such termination (the "Termination Date," as further defined below) will immediately terminate and the Shares covered by the outstanding Stock Units shall revert to the Plan. For purposes of this Agreement, the Termination Date will be the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary and will not be extended by any notice period (*e.g.*, the period of Participant's Continuous Service would not include any contractual notice period or any period of "garden leave" or similar period mandated under local law or Participant's employment or other service agreement, if any). The Administrator shall have the sole discretion to determine when the Termination Date occurs for purposes of the Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence).

6. Death of Participant. Any distribution or delivery to be made to Participant under this Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant or if a beneficiary designation is not valid (for employees outside the United States), the administrator, executor or legal representative of Participant's estate. Any such transferee must furnish the Company with (a) a written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any U.S. and non-U.S. laws or regulations pertaining to said transfer.

7. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, the Parent or Subsidiary that employs Participant or to which Participant otherwise renders services (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Plan and legally applicable to Participant (“Tax-Related Items”) is and remains Participant’s responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Units, including, but not limited to, the grant, vesting or settlement of the Stock Units, the issuance of Shares upon settlement of the Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Stock Units to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, Participant acknowledges that if Participant is subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all applicable Tax-Related Items by one or a combination of the following:

- (i) withholding from Participant’s wages or other cash compensation payable to Participant by the Company, the Employer and/or any other Parent or Subsidiary;
- (ii) accepting a payment from Participant in the form of cash, check or wire transfer;
- (iii) withholding from proceeds of the sale of Shares acquired upon vesting/settlement of the Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant’s behalf pursuant to this authorization without further consent);
- (iv) withholding Shares to be issued upon vesting/settlement of the Stock Units, provided, however, that if Participant is a Section 16 officer of the Company under the Exchange Act, then Participant may elect the form of withholding from the alternatives above in advance of any taxable or tax withholding event, as applicable, and in the absence of Participant’s timely election, the Company will withhold Shares upon the relevant taxable or tax withholding event or the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) may determine that a particular method be used to satisfy any obligations for Tax Related Items; or

- (v) any other method of withholding determined by the Company and, to the extent required by applicable law or the Plan, approved by the Committee.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including maximum rates applicable in Participant's jurisdiction(s), in which case Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Shares. If Participant does not receive a refund of any over-withheld amount from the Company or the Employer, Participant may seek a refund from the applicable tax authorities. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Stock Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described in this section.

If Participant fails to make satisfactory arrangements to satisfy applicable withholding obligations for Tax-Related Items hereunder, Participant will permanently forfeit such Stock Units and any right to receive Shares thereunder and the Stock Units will be returned to the Company at no cost to the Company.

8. Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including by way of book entry). After such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. Nature of Grant. In accepting the Stock Units, Participant understands, acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock unit grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Stock Units and Participant's participation in the Plan do not create a right to employment and shall not be interpreted as forming or amending an employment or services contract with the Company, the Employer or any other Parent or Subsidiary and shall not interfere with the ability of the Employer to terminate Participant's employment or other service relationship (if any);

(e) Participant is voluntarily participating in the Plan;

(f) the Stock Units and the Shares subject to the Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Stock Units and the Shares subject to the Stock Units, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement, or welfare benefits or similar mandatory payments;

(h) unless otherwise agreed in writing with the Company, the Stock Units and the Shares subject to the Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, any service Participant may provide as a director of any Parent or Subsidiary;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Units resulting from (i) the application of any recoupment or recovery policy adopted by the Company or otherwise required by law, or (ii) termination of Participant's Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of local labor laws in the jurisdiction where Participant is employed or otherwise providing services or the terms of his or her employment or other service contract, if any);

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan; Participant should consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan;

(l) the Stock Units and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and

(m) neither the Company, the Employer nor any other Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency (if not the United States dollar) and the United States dollar that may affect the value of the Stock Units or of any amounts due to Participant pursuant to the settlement of the Stock Units or the subsequent sale of any Shares acquired under the Plan.

10. **Data Privacy Information and Consent.**

(a) **Data Collection and Usage.** *The Company and the Employer collect, process and use certain personal information about Participant, including, but not limited to, Participant's name, home address, telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all awards granted under the Plan or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is Participant's consent.*

(b) **Stock Plan Administration Service Providers.** *The Company transfers Data to E*TRADE Financial Corporate Services, Inc. and certain of its affiliated companies (the "Designated Broker"), an independent service provider based in the United States, which is assisting the Company with the implementation, administration and management of the Plan. Participant may be asked to agree on separate terms and data processing practices with the Designated Broker, with such agreement being a condition to the ability to participate in the Plan. In the future, the Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner.*

(c) **International Data Transfers.** *If Participant resides, works or is otherwise located outside of Bermuda and/or the United States, Data will be transferred from Participant's country to Bermuda and the United States, where the Company and the Designated Broker, respectively, are based. Participant's country or jurisdiction may have different data privacy laws and protections than Bermuda and the United States. If Participant is located in the European Union ("EU") and/or European Economic Area ("EEA"), Participant understands and acknowledges that Bermuda and the United States are not subject to an unlimited adequacy finding by the European Commission and might not provide a level of protection of personal data equivalent to the level of protection in Participant's country. As a result, in the absence of a self-certification of the data recipient in the United States under the EU-U.S. Privacy Shield Framework or the implementation of appropriate safeguards such as the Standard Contractual Clauses or binding corporate rules adopted by the EU Commission, the processing of personal data might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, data subjects might have no, or less, enforceable rights regarding the processing of their personal data. The Company's legal basis for the transfer of Data, where required, is Participant's consent.*

(d) **Data Retention.** *The Company will hold and use Data only as long as is necessary to implement, administer and manage Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, securities, exchange control, labor and other laws.*

(e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and Participant is providing the consents herein on a purely voluntary basis. Participant may withdraw any such consent at any time with future effect for any or no reason. If Participant does not consent, or if Participant later seeks to revoke the consent, Participant's salary from or employment with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Participant Stock Units under the Plan or other awards or administer or maintain such awards. For more information on the consequences of refusal to consent or withdrawal of consent, Participant should contact his or her local human resources representative.*

(f) **Data Subject Rights.** *Participant may have a number of rights under data privacy laws in his or her jurisdiction. Depending on where Participant is based, such rights may include the right to (i) request access to or copies of Data the Company processes, (ii) rectification or amendment of incorrect or incomplete Data, (iii) deletion of Data, (iv) request restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Participant's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Participant can contact his or her local human resources representative.*

Declaration of Consent. *By accepting this Agreement and indicating consent via the Company's acceptance procedure, Participant explicitly declares his or her consent to the data processing practices described in this Section 10, including, without limitation, to the collection, processing and use of Data by the Company and, if applicable, to the transfer of Data to the recipients mentioned above, including the onward transfer of Data by the Company to the Designated Broker, or, as the case may be, a different service provider selected by the Company.*

11. **Participant Acknowledgments.** **PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY PROVIDING CONTINUOUS SERVICE THROUGH THE VESTING DATE AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF STOCK UNITS OR ACQUIRING SHARES HEREUNDER. Participant FURTHER acknowledges that he or she is not entitled to pro rata vesting of any Shares for any period prior to the Termination Date. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT FOR CONTINUOUS SERVICE FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER TO TERMINATE PARTICIPANT'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE.**

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Stock Units subject to all of the terms and provisions thereof. Participant has reviewed the Plan, this Agreement, and the Notice of Grant in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of such documents. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Notice of Grant or this Agreement.

12. Address. Any notice to be given to the Company under the terms of this Agreement should be addressed to the Company at its corporate headquarters, or at such other address as the Company may hereafter designate in writing. Participant agrees to timely notify the Company upon any change in his or her residence address, and acknowledges that the Company may in its discretion deliver share certificates representing Shares issued pursuant to the settlement of the Stock Units to such address.

13. Grant Not Transferable. The Stock Units may not be transferred in any manner otherwise than by will or by the laws of descent or distribution. The terms of Stock Units shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

14. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan will govern.

15. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

16. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any U.S. or non-U.S. federal, state or local law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate or legal representative), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate U.S. or non-U.S. federal, state or local securities, exchange control or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company is under no obligation to register or qualify the shares with U.S. or non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Shares.

17. Administrator Authority. The Administrator will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to Stock Units awarded under the Plan or future Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any online or electronic system established and maintained by the Company or third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

20. Agreement Severable. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

21. Entirety; Modifications to Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Notwithstanding anything to the contrary in the Plan or this Agreement, if Participant is a U.S. taxpayer, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Stock Units.

22. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Stock Units or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California, and agree that such litigation will be conducted exclusively in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award of Stock Units is made and/or to be performed.

23. Language. By accepting the Award of Stock Units, Participant acknowledges that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English as to allow Participant to understand the content of this Agreement and any other Plan-related materials. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

24. Appendix. Notwithstanding any provisions in this Stock Unit Agreement, the Stock Units shall be subject to any additional terms and conditions set forth in any Appendix to this Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

25. Insider-Trading/Market-Abuse Laws. Participant acknowledges that he or she may be subject to insider-trading restrictions and/or market-abuse laws in applicable jurisdictions, including the United States and (if different) the Participant's country, his or her broker's country and/or the country where the Shares are listed, which may affect his or her ability to accept, acquire, sell or attempt to sell, or otherwise dispose of Shares or right to Shares (*e.g.*, Stock Units), or rights linked to the value of Shares, during such times as he or she is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions, including the United States and, if different, Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing inside information. Furthermore, Participant may be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them to otherwise buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. Participant is responsible for complying with any applicable restrictions, so Participant should speak to his or her personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in Participant's country.

26. Foreign Asset/Account Reporting Requirements; Exchange Controls; Tax Reporting. Participant acknowledges that Participant's country may have certain foreign asset and/or account reporting requirements, exchange controls and/or tax reporting requirements which may affect Participant's ability to acquire or hold Shares acquired under the Plan (or cash received from participating in the Plan) in a brokerage or bank account outside of Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country and/or to pay and/or report applicable taxes due in connection with the Award on his or her own behalf. Participant may also be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. Participant acknowledges that it is his or her responsibility to be aware of and compliant with such regulations and Participant should speak to his or her personal advisor on this matter.

27. Waiver. Participant acknowledges that a waiver by the Company of a breach of any provisions of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

28. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**MARVELL TECHNOLOGY GROUP LTD.
2000 EMPLOYEE STOCK PURCHASE PLAN
SUBSCRIPTION AGREEMENT**

Enrollment Date: ____I understand that this Subscription Agreement shall remain in effect throughout successive Offering Periods unless terminated or unless i am required to sign a new agreement.

1. I hereby elect to participate in the Marvell Technology Group Ltd. 2000 Employee Stock Purchase Plan, as may be amended and restated from time to time (the "Stock Purchase Plan") and subscribe to purchase common shares of the Company ("Common Stock") in accordance with the Stock Purchase Plan, this Subscription Agreement, and the terms set forth in the Addendum hereto. Terms not otherwise defined herein have the same meaning attributed to them in the Stock Purchase Plan.
2. I hereby authorize Payroll deductions from each paycheck in the amount of ____% (maximum 15%, in whole percentages only) of my Payroll on each payday during the Offering Period in accordance with the Stock Purchase Plan. (No fractional percentages are permitted.) Such deductions are to continue for succeeding Offering Periods until I give written instructions for a change in or termination of such deductions or my participation is otherwise terminated in accordance with the Stock Purchase Plan.
3. I understand that said Payroll deductions should be accumulated for the purchase of shares of Common Stock at the applicable purchase price determined in accordance with the Stock Purchase Plan. I further understand that, except as otherwise set forth in the Stock Purchase Plan, shares will be purchased for me automatically on each Purchase Date of the Offering Period unless I withdraw from the Stock Purchase Plan by giving written notice to the Company for such purpose at least 15 days before the Purchase Date or unless my participation in the Stock Purchase Plan is otherwise terminated. I understand that I may withdraw from the Stock Purchase Plan and have Payroll deductions refunded (without interest) promptly at any time during the Offering Period as long as written notice of my withdrawal is provided to the Administrator, in required form, at least 15 days before the Purchase Date. I understand that the duration of Offering Periods (including the commencement dates thereof) shall be subject to change by the Administrator in accordance with Sections 4 and 18 of the Stock Purchase Plan.
4. I have received a copy of the complete Stock Purchase Plan. I have also received a copy of the complete Stock Purchase Plan Prospectus. I understand that my participation in the Stock Purchase Plan is in all respects subject to the terms of the Stock Purchase Plan.
5. I understand that during subsequent Offering Periods my participation in the Stock Purchase Plan will continue to be governed by this Subscription Agreement, including the Addendum, and the Stock Purchase Plan. Further, I understand that at its discretion and to the extent permitted by the Stock Purchase Plan, the Company may amend the Stock Purchase Plan and/or this Subscription Agreement, and by continuing to participate in the Stock Purchase Plan, and without the need to provide affirmative consent, I agree to the terms and conditions of the amended Stock Purchase Plan and/or Subscription Agreement.
6. I acknowledge that, regardless of any action taken by the Company or my employer, if different (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to my participation in the Stock Purchase Plan and legally applicable to me ("Tax-Related Items") is and remains my responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. I further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of my participation in the Stock Purchase Plan, including, but not limited to, the grant of the Purchase Right, the purchase of shares of Common Stock under the Stock Purchase Plan, the subsequent sale of shares of Common Stock acquired under the Stock Purchase Plan and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Purchase Right to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, I acknowledges that if I am subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, I will make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all applicable Tax-Related Items by one or a combination of the following: (a) withholding from my wages or other cash compensation payable to me by the Company and/or the Employer; (b) withholding from proceeds of the sale of shares of Common Stock acquired upon exercise of the Purchase Right either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization); or (c) withholding shares of Common Stock to be issued upon exercise of the Purchase Right, provided, however, that if I am a Section 16 officer of the Company, withholding shares of Common Stock will be subject to approval by the Board to the extent required under applicable law.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including maximum rates applicable in my jurisdiction(s), in which case I may receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If I do not receive a refund of any over-withheld amount from the Company or the Employer, I may seek a refund from the applicable tax authorities. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, I will be deemed to have been issued the full number of shares of Common Stock subject to the exercised Purchase Right, notwithstanding that a number of shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, I shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of my participation in the Stock Purchase Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase shares of Common Stock on my behalf under the Stock Purchase Plan and refuse to deliver the shares of Common Stock if I fail to make satisfactory arrangements to satisfy applicable withholding obligations for Tax-Related Items.

7. By enrolling in the Stock Purchase Plan and by authorizing Payroll deductions, I acknowledge that: (a) the Stock Purchase Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended, or terminated by the Company at any time, to the extent provided in the Stock Purchase Plan; (b) the grant of the Purchase Right is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Purchase Rights, or benefits in lieu of Purchase Rights, even if Purchase Rights have been granted in the past; (c) all decisions with respect to future grants of Purchase Rights, if any, will be at the sole discretion of the Company; (d) my participation in the Stock Purchase Plan shall not create a right to further employment or be interpreted as forming or amending an employment or service relationship with the Company, the Employer or any other Parent or Subsidiary and shall not interfere with the ability of the Employer to terminate my employment or other service relationship (if any) at any time; (e) I am voluntarily participating in the Stock Purchase Plan; (f) the Purchase Right and the shares of Common Stock subject to the Purchase Right, and the income from and value of same, are not intended to replace any pension rights or compensation; (g) the Purchase Right and the shares of Common Stock subject to the Purchase Right, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, holiday pay, bonuses, long-service awards, leave-related payments, holiday top-up, pension or retirement, or welfare benefits or similar mandatory payments; (h) unless otherwise agreed in writing with the Company, the Purchase Right the shares of Common Stock subject to the Purchase Right, and the income from and value of same, are not granted in consideration for, or in connection with, any service I may provide as a director of any Parent or Subsidiary; (i) the future value of the shares of Common Stock purchased or to be purchased under the Stock Purchase Plan is unknown, indeterminable, and cannot be predicted with certainty; (j) if shares of Common Stock are purchased for me on a Purchase Date, the value of those shares of Common Stock acquired under the Stock Purchase Plan may increase or decrease in value, even below the purchase price; (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Purchase Right resulting from (i) the application of any recoupment or recovery policy adopted by the Company or otherwise required by law, or (ii) termination of my Continuous Employment (for any reason whatsoever, whether or not later found invalid or in breach of local labor laws in the jurisdiction where I am employed or the terms of my employment contract, if any); (l) in the event of termination of my Continuous Employment (regardless of the reason for the termination and whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment contract, if any), my right to participate in and to purchase shares of Common Stock under the Stock Purchase Plan, if any, will terminate effective as of the date that I am no longer actively providing services to the Employer, the Company or any other Parent or Subsidiary, and will not be extended by any notice period (e.g., the period of my Continuous Employment would not include any contractual notice period or any period of “garden leave” or similar period mandated under local law or my employment contract, if any); the Administrator shall have the exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the Stock Purchase Plan (including whether I may still be considered to be providing services while on a leave of absence); (m) unless otherwise provided in the Stock Purchase Plan or by the Company in its discretion, the Purchase Right and the benefits under the Stock Purchase Plan, if any, will not automatically transfer to another company in the case of a merger, take-over, or transfer of liability; and (n) neither the Company, the Employer, nor any other Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between my local currency (if not the United States dollar) and the United States dollar that may affect the value of the Purchase Right or of any amounts due to me pursuant to the purchase of shares or the subsequent sale of any shares purchased under the Stock Purchase Plan.
8. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding my participation in the Stock Purchase Plan, or my acquisition or sale of the underlying shares of Common Stock. I should consult with my own personal tax, legal, and financial advisors regarding my participation in the Stock Purchase Plan before taking any action related to the Stock Purchase Plan.
9. **Data Collection and Usage.** *The Company and the Employer collect, process and use certain personal information about me, including, but not limited to, my name, home address, telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all Purchase Rights or any other entitlement to shares of Common Stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in my favor (“Data”), for purposes of implementing, administering and managing the Stock Purchase Plan. The legal basis, where required, for the processing of Data is my consent.*

Stock Plan Administration Service Providers. *The Company transfers Data to [E*TRADE Financial Corporate Services, Inc.] and certain of its affiliated companies (the “Designated Broker”), an independent service provider based in the United States, which is assisting the Company with the implementation, administration and management of the Stock Purchase Plan. I may be asked to agree on separate terms and data processing practices with the Designated Broker, with such agreement being a condition to the ability to participate in the Stock Purchase Plan. In the future, the Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner.*

International Data Transfers. *If I reside, work or am otherwise located outside of Bermuda and/or the United States, Data will be transferred from my country to Bermuda and the United States, where the Company and the Designated Broker, respectively, are based. My country or jurisdiction may have different data privacy laws and protections than Bermuda and the United States. If I am located in the European Union (“EU”) and/or European Economic Area (“EEA”), I understand and acknowledges that Bermuda and the United States are not subject to an unlimited adequacy finding by the European Commission and might not provide a level of protection of personal data equivalent to the level of protection in my country. As a result, in the absence of a self-certification of the data recipient in the United States under the EU-U.S. Privacy Shield Framework or the implementation of appropriate safeguards such as the Standard Contractual Clauses or binding corporate rules adopted by the EU Commission, the processing of personal data might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, data subjects might have no, or less, enforceable rights regarding the processing of my personal data. The Company’s legal basis for the transfer of Data, where required, is my consent.*

Data Retention. *The Company will hold and use Data only as long as is necessary to implement, administer and manage my participation in the Stock Purchase Plan, or as required to comply with legal or regulatory obligations, including under tax, securities, exchange control, labor and other laws.*

Voluntariness and Consequences of Consent Denial or Withdrawal. *Participation in the Stock Purchase Plan is voluntary and I am providing the consents herein on a purely voluntary basis. I may withdraw any such consent at any time with future effect for any or no reason. If I do not consent, or if I later seek to revoke the consent, my salary from or employment with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant me Purchase Rights under the Stock Purchase Plan or other equity awards or administer or maintain such awards. For more information on the consequences of refusal to consent or withdrawal of consent, I should contact my local human resources representative.*

Data Subject Rights. *I may have a number of rights under data privacy laws in my jurisdiction. Depending on where I am based, such rights may include the right to (i) request access to or copies of Data the Company processes, (ii) rectification or amendment of incorrect or incomplete Data, (iii) deletion of Data, (iv) request restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in my jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, I can contact my local human resources representative.*

<p>Declaration of Consent. <i>By accepting this Subscription Agreement and indicating consent via the Company’s acceptance procedure, I explicitly declare my consent to the data processing practices described in this Section 9, including, without limitation, to the collection, processing and use of Data by the Company and, if applicable, to the transfer of Data to the recipients mentioned above, including the onward transfer of Data by the Company to the Designated Broker, or, as the case may be, a different service provider selected by the Company.</i></p>
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10. The Purchase Right and the provisions of this Subscription Agreement will be governed by, and subject to, the laws of the State of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under the grant or this Subscription Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation will be conducted exclusively in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.
11. By participating in the Stock Purchase Plan, I acknowledge that I am proficient in the English language or have consulted with an advisor who is sufficiently proficient in English as to allow me to understand the content of this Subscription Agreement and any other materials related to the Stock Purchase Plan. If I have received this Subscription Agreement or any other document related to the Stock Purchase Plan translated into a language other than English, and if the meaning of the translated version is different from the English version, the English version will control.
12. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Stock Purchase Plan by electronic means. I hereby consent to receive such documents by electronic delivery and agree to participate in the Stock Purchase Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.
13. The provisions of this Subscription Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. Notwithstanding any provisions in this Subscription Agreement, the Purchase Right shall be subject to any additional terms and conditions set forth in the Addendum to this Subscription Agreement. Moreover, if I relocate to one of the countries included in the Addendum, the additional terms and conditions for such country will apply to me, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Subscription Agreement.
15. The Company reserves the right to impose other requirements on my participation in the Stock Purchase Plan, on the Purchase Right, and on any shares of Common Stock acquired under the Stock Purchase Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require me to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
16. I acknowledge that I may be subject to insider-trading restrictions and/or market-abuse laws in applicable jurisdictions, including the United States and (if different) my country, my broker's country and/or the country where the Shares are listed, which may affect my ability to accept, acquire, sell or attempt to sell, or otherwise dispose of shares of Common Stock, rights to shares of Common Stock or rights linked to the value of shares of Common Stock, during such times as I am considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions, including the United States and, if different, my country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders I placed before possessing inside information. Furthermore, I may be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them to otherwise buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. I am responsible for complying with any applicable restrictions, so I should speak to my personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in my country.
17. I acknowledge that my country may have certain foreign asset and/or account reporting requirements, exchange controls and/or tax reporting requirements which may affect my ability to acquire or hold shares of Common Stock under the Stock Purchase Plan, or cash received from participating in the Stock Purchase Plan, in a brokerage or bank account outside of my country. I understand that I may be required to report such accounts, assets or transactions to the tax or other authorities in my country and/or to pay and/or report applicable taxes due in connection with the Award on my own behalf. I may also be required to repatriate sale proceeds or other funds received as a result of participating in the Stock Purchase Plan to my country of residence through a designated bank or broker within a certain time after receipt. I acknowledge that it is my responsibility to be aware of and compliant with such regulations and that I should speak with my personal advisor on this matter.
18. I acknowledge that a waiver by the Company of a breach of any provisions of this Subscription Agreement shall not operate or be construed as a waiver of any other provision of this Subscription Agreement, or of any subsequent breach by me or any other participant.
19. I hereby agree to be bound by, and understand that my participation in the Stock Purchase Plan is in all respects subject to, the terms of the Stock Purchase Plan and this Subscription Agreement, including the Addendum. The effectiveness of this Subscription Agreement and my participation in the Stock Purchase Plan is dependent upon my eligibility to participate in the Stock Purchase Plan.

Employee Signature

Employee Name (Please Print Full Legal Name) Employee ID # (payroll file number)

**ADDENDUM TO THE
MARVELL TECHNOLOGY GROUP LTD.
2000 EMPLOYEE STOCK PURCHASE PLAN
SUBSCRIPTION AGREEMENT**

Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Stock Purchase Plan and/or the Subscription Agreement to which this Addendum is attached.

Terms and Conditions

This Addendum to the Subscription Agreement includes additional terms and conditions that govern the Purchase Right granted to me under the Stock Purchase Plan if I reside and/or work in one of the countries listed herein.

If I am a citizen or resident of a country other than the one in which I am currently residing and/or working, transfer employment and/or residency to another country after enrolling in the Stock Purchase Plan, or am considered resident of another country for local law purposes, the Company shall, in its sole discretion, determine to what extent the terms and conditions included herein will apply to me.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which I should be aware with respect to my participation in the Stock Purchase Plan. The information is based on the tax, securities, exchange control, and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that I not rely on the information in this Addendum as the only source of information relating to the consequences of my participation in the Stock Purchase Plan because the information may be out of date at the time the Purchase Right is exercised or I sell shares of Common Stock acquired under the Stock Purchase Plan.

In addition, the information contained herein is general in nature and may not apply to my particular situation, and the Company is not in a position to assure me of any particular result. Accordingly, I should seek appropriate professional advice as to how the relevant laws in my country may apply to my situation.

Finally, if I am a citizen or resident of a country other than the one in which I am currently residing and/or working, transfer employment and/or residency to another country after enrolling in the Stock Purchase Plan, or am considered a resident of another country for local law purposes, the information contained herein may not be applicable to me.

Canada

Terms and Conditions

Termination of Relationship

The following provision replaces Section 7(l) of the Subscription Agreement:

in the event of termination of my Continuous Employment (regardless of the reason for the termination and whether or not such termination is later found invalid or in breach of local labor laws or the terms of my employment contract, if any), my right to participate in and purchase shares of Common Stock under the Stock Purchase Plan, if any, will terminate effective as of the date that is the earliest of: (1) the date of termination of my Continuous Employment, (2) the date I receive notice of termination of my Continuous Employment or (3) the date I am no longer actively providing services to the Company, the Employer or any other Parent or Subsidiary, regardless of any notice period or period of pay in lieu of such notice required under applicable employment law in the jurisdiction where I am employed or the terms of my employment contract, if any; the Administrator shall have the sole discretion to determine when I am no longer actively providing services for purposes of my participation in the Stock Purchase Plan (including whether I may still be considered to be providing services while on a leave of absence). Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to participate in and purchase shares of Common Stock under the Stock Purchase Plan during a statutory notice period, my right to continue participating in and to purchase shares of Common Stock Under the Stock Purchase Plan, if any, will terminate effective as of the last day of my minimum statutory notice period, but I will not earn or be entitled to any pro-rated Purchase Rights if a purchase date falls after the end of my statutory notice period, nor will I be entitled to any compensation for lost participation or lost Purchase Rights.

The following provisions apply if I reside in Quebec:

Language Consent

The parties acknowledge that it is their express wish that the Subscription Agreement, as well as all addenda, documents, notices and legal proceeds entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette Convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.

Data Privacy Notice and Consent

The following provision supplements Section 8 of the Subscription Agreement:

I hereby authorize the Company and the Company's representatives to discuss and obtain all relevant information from all personnel, professional or non-professional, involved in the administration of the Stock Purchase Plan. I further authorize the Company, the Employer, and any other Parent or Subsidiary to disclose and discuss such information with their advisors. I also authorize the Company, the Employer and any other Parent or Subsidiary to record such information and to keep such information in my employee file.

Notifications

Securities Law Information

I acknowledge that I am permitted to sell shares of Common Stock acquired under the Stock Purchase Plan only through the Designated Broker, if any, provided the sale of the shares acquired under the Stock Purchase Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed (*i.e.*, the Nasdaq Stock Market).

Foreign Asset/Account Reporting Information

Specified foreign property, including shares and rights to receive shares (*e.g.*, stock options, restricted stock units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C\$100,000 at any time during the year. Thus, the Purchase Rights must be reported (generally at a nil cost) if the C\$100,000 cost threshold is exceeded because of other specified foreign property I hold. When shares of Common Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares. The ACB would equal the fair market value of the shares at the time of acquisition, but if I own other shares of Common Stock, this ACB may have to be averaged with the ACB of the other shares. I should consult with a personal advisor to ensure compliance with applicable reporting obligations.

China

Terms and Conditions

The following Terms and Conditions apply only to me if I am subject to exchange control restrictions and regulations in the People's Republic of China ("PRC"), including the requirements imposed by the State Administration of Foreign Exchange, as determined by the Company, in its sole discretion.

Supplemental Rules for PRC Employees

By enrolling in the Stock Purchase Plan, I acknowledge and agree to be bound by the terms of the Supplemental Rules of Marvell Stock Plans for China Employees.

No Transfer of Shares.

I agree that any shares of Common Stock to be issued to me shall be deposited directly into an account with the Designated Broker. The deposited shares of Common Stock shall not be transferable (either electronically or in certificate form) from the brokerage account. This limitation shall apply both to transfers to different accounts with the Designated Broker and to transfers to other brokerage firms. The limitation shall apply to all Shares issued to me under the Stock Purchase Plan, and whether or not my Continuous Employment terminates.

Exchange Control Restrictions.

I understand and agree that my participation in and ability to purchase shares of Common Stock under the Stock Purchase Plan is subject to the continued registration and compliance of the Stock Purchase Plan with applicable exchange control regulations in China. I agree that if the registration of the Stock Purchase Plan lapses or the Company determines, in its discretion, that the Purchase Rights cannot vest due to regulatory restrictions, my participation in the Stock Purchase Plan may be suspended, terminated or otherwise modified to ensure compliance with applicable laws and regulations.

I understand and agree that, due to exchange control laws in China, I will be required to immediately repatriate to China any cash proceeds I receive from participating in the Stock Purchase Plan (*i.e.*, cash proceeds from the sale of shares of Common Stock or the receipt of any dividends on such shares). I further understand that, under local law, such repatriation of the cash proceeds may need to be effected through a special exchange control account established by the Company, the Employer or another Parent or Subsidiary, and I hereby consent and agree that the proceeds will be transferred to such special account prior to being delivered to me. I understand that the proceeds will be delivered to me as soon as possible, but there may be delays in distributing the funds due to exchange control requirements in China. Proceeds may be paid in U.S. dollars or local currency, at the Company's discretion. If the proceeds are paid in U.S. dollars, I understand that I will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid in local currency, the Company is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the proceeds to local currency due to exchange control restrictions. I agree that I bear the risk of any exchange conversion rate fluctuation during that time. I further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Receipt and Sale of Shares

I agree to maintain any shares of Common Stock I obtain at purchase in an account with the Designated Broker prior to sale. Notwithstanding any provision in the Subscription Agreement to the contrary, to facilitate compliance with exchange control laws in China, the Company may require me to sell shares of Common Stock (i) immediately at purchase, (ii) upon termination of my Continuous Employment, or (iii) within any other timeframe as the Company determines for legal or administrative reasons. If I do not sell the shares within the time required by the Company, I hereby authorize the Company to instruct the Designated Broker to sell the shares of Common Stock on my behalf, and I expressly authorize the Designated Broker to complete the sale of shares of Common Stock. I agree to sign any forms and/or consents required by the Designated Broker to effectuate the sale of shares. I acknowledge that the Designated Broker is under no obligation to arrange for the sale of shares at any particular price. Upon the sale of shares after termination of Continuous Employment, I understand that the Company agrees to pay me the cash proceeds from the sale of the shares, less any brokerage fees or commissions and subject to any obligation to satisfy withholding obligations for Tax-Related Items. I understand that the proceeds from the sale of shares of Common Stock may need to be repatriated to China pursuant to the paragraph above, and I agree to comply with all requirements the Company may impose in order to facilitate compliance with exchange control requirements in China prior to my receipt of the cash proceeds. I acknowledge that I am not aware of any material nonpublic information with respect to the Company or any securities of the Company as of the date of the Subscription Agreement.

Notifications

Exchange Control Information

I may be required to report to SAFE all details of my foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Shares of Common Stock acquired under the Stock Purchase Plan and Stock Purchase Plan-related transactions may be subject to reporting under these rules. I should consult with my personal legal advisor in this regard.

Denmark

Terms and Conditions

Danish Stock Option Act

By enrolling and participating in the Stock Purchase Plan, I acknowledge that I have received an Employer Statement translated into Danish, which is being provided to me to comply with the Danish Stock Option Act (the "Act"). The Act applies only to "employees" as that term is defined in Section 2 of the Act. If I am a member of the registered management of a Parent or Subsidiary in Denmark or otherwise do not satisfy the definition of employee, I am not subject to the Act and the Employer Statement will not apply to me.

Notifications

Foreign Asset/Account Reporting Information

Foreign bank and brokerage accounts and deposits and shares of Common Stock held in such accounts must be reported on my annual tax return under the section on foreign affairs and income.

Finland

There are no country-specific provisions.

France

Terms and Conditions

Payroll Deduction Authorization

The following is a French translation of Sections 2 and 3 of the Subscription Agreement:

- Par la présente, j'autorise les Prélèvements sur Salaire, sur chacun de mes salaires, d'un montant de _____% (15 % maximum, pourcentage en nombre entier uniquement) de mon Salaire lors de chaque jour de paie pendant la Période d'Offre conformément au Plan d'Achat d'Actions (« Stock Purchase Plan »). (Aucun pourcentage décimal n'est admis.) Les prélèvements mentionnés ci-dessus se poursuivront lors des Périodes d'Offres subséquentes jusqu'à ce que je donne une instruction écrite pour modifier ou arrêter ces prélèvements ou jusqu'à ce que ma participation au plan se termine conformément au Plan d'Achat d'Actions.*
- Je comprends que les Prélèvements sur Salaire mentionnés ci-dessus vont s'accumuler pour permettre l'acquisition des Actions Ordinaires au prix d'acquisition tel que déterminé conformément au Plan d'Achat d'Actions. Je comprends également que, à moins que le Plan d'Achat d'Actions n'en dispose autrement, les actions seront automatiquement acquises pour mon compte à chaque Date d'Acquisition de la Période d'Offre à moins que je ne me retire du Plan d'Achat d'Actions par notification écrite à la Société au moins 15 jours avant la Date d'Acquisition ou que ma participation au Plan d'Achat d'Actions ne se termine d'une autre façon. Je comprends que je peux me retirer du Plan d'Achat d'Actions et me faire rembourser les Prélèvements sur Salaire (sans intérêt) rapidement à tout moment pendant la Période d'Offre dès lors qu'une notification écrite de mon retrait est fournie à l'Administrateur, sous la forme requise, au moins 15 jours avant la Date d'Acquisition. Je comprends que la durée des Périodes d'Offre (en ce compris les premiers jours des Périodes d'Offre applicables) peuvent être modifiées par l'Administrateur conformément aux Sections 4 et 18 du Plan d'Achat d'Actions.*

Language Consent

By signing and returning or by otherwise accepting the Subscription Agreement, I confirm having read and understood the documents relating to this grant of the right to purchase shares of Common Stock (the Stock Purchase Plan, the Subscription Agreement, and this Addendum) which were provided to me in the English language. I accept the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée

En signant et renvoyant, ou autrement acceptant, les termes et conditions du Contrat de Souscription, je confirme ainsi avoir lu et compris les documents relatifs à cette attribution du droit d'achat d'Actions Cotées en Bourse (le Plan, le Contrat de Souscription, et la présente Annexe) qui m'ont été fournis dans la langue anglaise. J'accepte les termes de ces documents en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information

French residents must declare all foreign accounts, whether open, current, or closed, in their income tax returns. I should consult with a personal tax advisor to ensure compliance with applicable reporting obligations.

Germany

Notifications

Exchange Control Information

Cross-border payments in excess of €12,500 must be reported monthly. If I make or receive a payment in excess of this amount, I understand that I am responsible for electronically reporting to German Federal Bank (*Bundesbank*) by the fifth day of the month following the month in which the payment occurs. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via German Federal Bank's website (www.bundesbank.de) and is available in both German and English.

Hong Kong

Terms and Conditions

Authorization for Stock Purchase Plan Participation

I hereby expressly acknowledge that my authorization to the Employer to deduct a percentage of my Payroll was given voluntarily for purposes of my participation in the Stock Purchase Plan.

Notifications

Securities Law Information

WARNING: *The contents of this document have not been reviewed by any regulatory authority in Hong Kong. I am advised to exercise caution in relation to the offer. If I am in any doubt about any of the contents of the Subscription Agreement, including this Addendum, the Stock Purchase Plan or the Stock Purchase Plan prospectus, I should obtain independent professional advice. Purchase Rights and any shares of Common Stock subject to the Purchase Rights do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, a Parent or a Subsidiary. The Subscription Agreement, including this Addendum, the Stock Purchase Plan and other incidental communication materials have not been prepared in accordance with, and are not intended to constitute a "prospectus" for, a public offering of securities under the applicable securities legislation in Hong Kong. The Purchase Rights and any documentation related thereto are intended solely for the personal use of each employee of the Company, a Parent or a Subsidiary and may not be distributed to any other person.*

India

Notifications

Exchange Control Information

Exchange control laws and regulations in India require that any proceeds from the sale of shares of Common Stock acquired under the Stock Purchase Plan and any dividends paid on such shares of Common Stock be repatriated to India and converted into local currency within such period of time as prescribed under applicable India exchange control laws and regulations. I must obtain a foreign inward remittance certificate ("FIRC") from the bank where I deposit the foreign currency. I should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information

Foreign bank accounts and any foreign financial assets (including shares of Common Stock held outside India) must be reported in my annual Indian personal tax return. I am solely responsible for complying with this reporting obligation and should confer with my personal tax advisor in this regard.

Israel

Terms and Conditions

Tax Obligations/Withholding Authorization

Notwithstanding Section 5 of the Subscription Agreement, I understand that, subject to the Israeli tax laws, as may be amended from time to time, it is the Employer's statutory liability to withhold any Tax-Related Items resulting from my participation in the Stock Purchase Plan. I agree that in case the amount of the Tax-Related Items is not withheld from my pay check and/or the Company determines that it is not feasible to withhold from the proceeds from the sale of shares, I will transfer the Tax-Related Item amounts not withheld from my pay check (or otherwise recovered from me) to the Employer no later than five business days after the pay date following the taxable event. I further agree that the shares issued to me pursuant to the Stock Purchase Plan will be deposited with the Company's designated broker account to assist with any sale of shares or transfer of shares on my behalf and pursuant to this authorization.

Japan

Notifications

Exchange Control Information

If I acquire shares of Common Stock valued at more than ¥100,000,000 in a single transaction, I understand that I must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition.

Foreign Asset/Account Reporting Information

Details of any assets held outside of Japan as of December 31, including shares of Common Stock must be reported to the Tax Office, to the extent such assets have a total net fair market value exceeding ¥50,000,000. The report is due by March 15 each year. I understand that I am responsible for complying with this reporting obligation and should confer with my personal tax advisor in this regard.

Korea

Terms and Conditions

Power of Attorney

I understand that if requested by the Company or the Employer to effect the transfer of my Payroll deductions outside of Korea for the purchase of shares of Common Stock under the Stock Purchase Plan, I will need to print, sign, and return any Power of Attorney form provided to me by my local human resources representative or Stock Administration in order to participate in the Stock Purchase Plan.

Notifications

Foreign Asset/Account Reporting Information

Korean residents must declare all foreign financial accounts (*e.g.*, brokerage accounts, bank accounts) to the Korean tax authority and file a report with respect to such accounts if the value of the assets in such accounts exceeds KRW 500 million (or the equivalent amount in a foreign currency) on any month-end date during the calendar year. I am responsible for complying with applicable reporting obligations and should speak to my personal legal advisor on this matter.

Netherlands

Terms and Conditions

Nature of Grant

The following provision supplements Section 6 of the Subscription Agreement:

By participating in the Stock Purchase Plan and authorizing Payroll deductions, I acknowledge that the Purchase Right granted under the Stock Purchase Plan is intended as an incentive for me to remain employed with the Employer and is not intended as remuneration for labor performed.

Notifications

**Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.**



POLAND

Terms and Conditions

Authorization for Stock Purchase Plan Participation

I understand that as a condition of my participation in the Stock Purchase Plan, I will be required to execute the attached Consent for Deduction form. I understand that I must print out the form, sign and date the form in the applicable places, and return a copy to []. Further, I agree to execute other agreements or consents that may be required by the Company or the Employer with respect to payroll deductions under the Stock Purchase Plan. I understand that if I fail to execute the Consent for Deduction form or any other form of agreement or consent that is required with respect to payroll deductions under the Stock Purchase Plan, I may not be able to participate in the Stock Purchase Plan.

Notifications

Exchange Control Information

Polish residents holding cash and foreign securities (including Shares) in bank or brokerage accounts outside of Poland must report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on special forms available on the website of the National Bank of Poland. Participant should consult with a personal legal advisor to determine whether Participant will be required to submit reports to the National Bank of Poland.

Further, any transfer of funds in excess of €15,000 (or if such transfer of funds is connected with business activity of an entrepreneur, a lower threshold) into or out of Poland must be effected through a bank account in Poland. All documents connected with any foreign exchange transactions must be retained for a period of five years from the end of the year in which the transaction occurred.

MARVELL TECHNOLOGY GROUP LTD.

2000 EMPLOYEE STOCK PURCHASE PLAN

For Participants in Poland

CONSENT FOR DEDUCTION

I, the undersigned, in order to participate in the Marvell Technology Group Ltd. 2000 Employee Stock Purchase Plan ("Stock Purchase Plan"), authorize my employer to withhold payroll deductions in the amount of ___% of my Payroll, or such other percentage as subsequently selected by me under the Stock Purchase Plan. I understand that this amount must not be more than 15% of my Payroll for any Offering Period with the reservation that the deductions are made in accordance with the applicable provisions of the Polish labor law.

I acknowledge and agree that any past payroll deductions from my Payroll with respect to my participation in the Stock Purchase Plan complied with Polish law and that I authorized all such deductions.

All the terms written in capital letters shall have the meanings given to them in the Stock Purchase Plan.

In case of any discrepancies between the Polish language version of this document and its English language version, the Polish language version shall prevail.

Employee/Pracownik

Date/Data

MARVELL TECHNOLOGY GROUP LTD.

2000 PRACOWNICZY PLAN NABYWANIA AKCJI

Dla Uczestników w Polsce

ZGODA NA POTRĄCENIE

Ja niżej podpisany, w celu uczestnictwa w Marvell Technology Group Ltd. 2000 Pracowniczym Planie Nabywania Akcji ("Plan"), upoważniam mojego pracodawcę do potrącenia kwoty w wysokości ___% z mojego Uprawnionego Wynagrodzenia lub inny procent później wskazany przeze mnie w ramach Planu. Przyjmuję do wiadomości, iż ta kwota nie może być mniejsza niż 1% i większa niż 15% mojego Uprawnionego Wynagrodzenia w każdym Okresie Oferty z zastrzeżeniem, że potrącenia będą dokonywane zgodnie z obowiązującymi przepisami polskiego prawa pracy.

Niniejszym potwierdzam i zgadzam się z tym, że jakiegokolwiek przeszłe potrącenia z mojego Uprawnionego Wynagrodzenia dokonane w związku z moim uczestnictwem w Planie były zgodne z polskim prawem i że wyraziłem/am na nie zgodę.

Wszystkie terminy pisane wielkimi literami mają znaczenie przypisane im w ramach Planu.

W przypadku jakichkolwiek rozbieżności pomiędzy polską a angielską wersją językową niniejszego dokumentu, wersja polska ma charakter wiążący.

Russia

Terms and Conditions

Authorization for Stock Purchase Plan Participation

I agree to act in accordance with any procedures established by the Company to comply with the exchange control regulations in Russia and to provide a power of attorney (if I have not already done so) or any other agreements or consents that may be required by the Company or the Employer to facilitate my participation in the Stock Purchase Plan.

In this regard, I hereby authorize the Employer to take payroll deductions from each of my paychecks in that percentage of my Earnings (from 1% to 15%) that I have specified through the electronic enrollment process. I understand that, in addition to other procedures for enrolling in the Stock Purchase Plan, I must print and sign the Application and Authorization for Payroll Deductions located on the following pages and submit it to [] in order to participate in the Stock Purchase Plan. Further, I agree to execute other agreements or consents that may be required by the Company or the Employer with respect to participation in the Stock Purchase Plan. I understand that if I fail to comply with required procedures and to execute a power of attorney, the Application and Authorization for Payroll Deductions and/or any other agreement or consent that is required by the Company or the Employer under the Stock Purchase Plan, I may not be able to participate in the Stock Purchase Plan.

U.S. Transaction

I understand that by enrolling in the Stock Purchase Plan (including through an online process managed by the Designated Broker or the Company or another third party designated by the Company) I am entering into an agreement between me and the Company completed in the United States and that the Subscription Agreement, including this Addendum, is governed by the laws of the State of California, without giving effect to the conflict of law principles thereof.

Securities Law Acknowledgement

I acknowledge that the Purchase Rights, the Subscription Agreement, including this Addendum, the Stock Purchase Plan and all other materials I may receive regarding participation in the Stock Purchase Plan do not constitute advertising or an offering of securities in Russia. The shares of Common Stock purchased under the Stock Purchase Plan have not and will not be registered in Russia nor admitted for listing on any Russian exchange for trading within Russia, and therefore, neither the Purchase Rights nor the shares of Common Stock may be used for offering or public or private circulation in Russia. I acknowledge that I may hold shares of Common Stock purchased under the Stock Purchase Plan in my account with the Designated Broker (or such other stock plan service provider as may be selected by the Company) account in the United States. However, in no event will shares of Common Stock purchased under the Stock Purchase Plan be delivered to me in Russia. Further, I am not permitted to sell or otherwise dispose of shares of Common Stock directly to other Russian individuals.

Data Privacy and Transfer

This provision supplements Section 8 of the Subscription Agreement:

I understand and agree that I must complete and return a Consent to Personal Data Processing (the "Consent") form to the Company. Further, I understand and agree that if I do not complete and return a Consent to the Company, it will not be able to offer me participation in the Stock Purchase Plan or grant Purchase Rights to me or administer or maintain my participation in the Stock Purchase Plan. Therefore, I understand that refusing to complete a Consent or withdrawing my Consent may affect my ability to participate in the Stock Purchase Plan.

Notifications

Exchange Control Information

All restrictions on the payment of funds by nonresidents into a Russian resident's declared foreign *brokerage* account, including dividends and proceeds from the sale of shares of Common Stock, have been abolished. I can now receive, hold and remit dividends and proceeds from the sale of shares of Common Stock acquired under the Stock Purchase Plan into and out of my brokerage account without any requirement to first repatriate such funds to an authorized bank in Russia. I should be aware that the rules related to foreign *bank* accounts are different and that certain restrictions with respect to payments by non-residents into a Russian currency resident's foreign bank account will continue to apply where the foreign bank account is located in the U.S. I should contact my personal advisor to confirm the application of the exchange control restrictions prior to purchasing or selling shares of Common Stock, as significant penalties may apply in the case of non-compliance with the exchange control restrictions and because such exchange control restrictions are subject to change.

Foreign Asset/Account Reporting Information

Russian residents are required to report the opening, closing or change in account details of any foreign bank account to the Russian tax authorities within one month of the opening, closing or change of such account. Russian residents also are required to report to the Russian tax authorities on or before June 1 of the following year (i) the beginning and ending balances in a foreign bank account each year and (ii) transactions related to such a foreign account during the year. Foreign brokerage accounts and foreign accounts with other financial institutions (financial market organizations) also must be reported. Certain specific exceptions from the reporting requirements may apply. I should consult with my personal legal advisor to determine how these reporting requirements apply to any account opened in connection with my participation in the Plan.

Labor Law Information

If I continue to hold shares of Common Stock purchased under the Stock Purchase Plan after an involuntary termination of my Continuous Employment, I will not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Information

Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (e.g., shares of foreign companies such as the Company). Accordingly, I should inform the Company if I am covered by these laws because I may not hold shares of Common Stock purchased under the Stock Purchase Plan.

ФИО работника: _____

Employee Name: _____

Идентификационный номер /номер паспорта
работника: _____

Employee ID/Passport Number: _____

Домашний адрес: _____

Home Address: _____

**Заявление и Разрешение на осуществление вычетов из заработной
платы
(для работников в России)**

**Application and Authorization for Payroll Deductions
(For Employees in Russia)**

Я, _____, соглашаюсь участвовать в Программе I, _____, have elected to participate in the Marvell покупки акций для работников компании Marvell Technology Group Ltd. Technology Group Ltd. 2000 Employee Stock Purchase Plan (the "Plan"), 2000 года (далее — "Программа"), в соответствии с положениями и pursuant to the terms and conditions of the Plan and the Subscription условиями указанной Программы, а также Соглашением об участии, Agreement, including the Addendum attached thereto (the "Agreement"), in включая приложенное к нему Дополнительное соглашение (далее — order to purchase common shares of Marvell Technology Group Ltd. (the "Соглашение"), с целью покупки обыкновенных акций (далее — "Company") in the United States ("U.S.") under the Plan. "Акции") компании Marvell Technology Group Ltd. (далее — "Компания") в Соединенных Штатах Америки (далее — "США"), по данной Программе.

Для облегчения процесса покупки Акции по указанной Программе, In order to facilitate the purchases of Shares under the Plan, I hereby request настоящим прошу и уполномочиваю моего работодателя, [Обществу с and authorize my employer, [Aquantia Rus Limited Liability Company] ограниченной ответственностью "Аквантия Рус"] (далее — ("Employer"), to withhold from my paycheck each pay period a percentage "Работодатель") ежемесячно удерживать из каждой выплаты мне of my Earnings through payroll deductions for my participation in the Plan, заработной платы определенный процент от суммы моей заработной as specified through my enrollment election. I shall have the right to платы для моего участия в Программе, как указано в выбранном мною decrease or increase such amount (subject to the limits set forth in the Plan варианте присоединения к Программе. Я вправе уменьшать или and/or Agreement). I request and authorize this withholding to continue увеличивать соответствующую сумму удержания (с учетом until I inform my Employer in writing to stop such payroll deductions. ограничений, установленных Программой и/или Соглашением). Я прошу и уполномочиваю Работодателя продолжать указанные удержания до тех пор, пока я письменно не проинформирую его о том, что такие вычеты из моей заработной платы необходимо прекратить.

Я прошу и уполномочиваю Работодателя накапливать указанные I request and authorize my Employer to accumulate these payroll вычеты из моей заработной платы для меня в течение каждого deductions for me during each Offering while I am participating in the Plan, Предложения в период моего участия в Программе и переводить and to transfer the funds to the Company. The Company will convert my данные денежные средства в адрес Компании. Компания конвертирует accumulated payroll deductions in U.S. Dollars for each Offering to накопленные вычеты из моей заработной платы в доллары США в purchase Shares under the terms and conditions of the Plan. I agree to bear каждом Предложении для покупки Акции в соответствии с the risk of any fluctuation in the currency conversion rate between the date положениями и условиями Программы. Я соглашаюсь нести риск, deductions are made and the date Shares are purchased for me under the связанный с любыми колебаниями курсов обмена валют с даты Plan. производства вычетов до даты покупки Акции для меня по Программе.

Я также признаю правильность каждого из приведенных ниже положений и согласен с каждым из них:

I further acknowledge and agree to each of the provisions below:

1. Программа предлагается Компанией по ее исключительному усмотрению. Программа не предлагается и не администрируется моим Работодателем. Единственной целью настоящего Заявления является получение моего участия в Программе. Я признаю, что Программа и приобретенные по ней Акции находятся целиком и полностью вне сферы моих трудовых отношений с Работодателем и не являются ни для каких целей частью моей заработной платы;

2. Участие Работодателя в Программе сводится к посредничеству в переводе в адрес Компании сумм, удерживаемых из моей заработной платы в каждом платежном периоде. Работодатель не выплачивает мне дополнительную заработную плату или какие-либо иные вознаграждения или компенсации в результате моего участия в Программе;

3. Удержания процента из моей заработной платы, о которых я прошу, не являются сокращением или снижением размера моей заработной платы, поэтому я также признаю получение всей полной суммы причитающейся мне заработной платы в каждом платежном периоде во время моего участия в Программе;

4. Трудовые отношения связывают меня исключительно с моим Работодателем, трудовых отношений между мною и Компанией не существует. Таким образом, Программу не следует считать предоставленной мне трудовой льготой, а мое участие в Программе не создает никаких трудовых обязательств или прав в отношениях между мною и Компанией.

Оригинальный экземпляр настоящего подписанного документа должен быть передан [Указать ФИО и Должность]

Дата, место

Подпись

A hard copy of this signed form should be given to [insert name and position/title].

Date and Place

Signature

Заявление принято _____
ФИО ответственного лица

Application accepted by _____
Name of Authorized Officer

Дата

Date

Singapore

Notifications

Securities Law Information

The grant of the Purchase Right is being made in reliance on Section 273(1)(f) of the Securities and Futures Act (Cap. 289) (“SFA”), the “Qualifying Persons” exemption under the SFA. The Stock Purchase Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore and the offerings under the Stock Purchase Plan are not made with a view to the Purchase Rights or shares being subsequently offered for sale to another party. I should not sell, or offer to sell, any shares of Common Stock in Singapore unless such sale or offer is made (i) after six months from the date the Purchase Rights were granted, (ii) pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Director Notification Obligation

Directors (including alternate, substitute, associate and shadow directors) of the Company or a Singapore Parent or Subsidiary are subject to certain notification requirements under the Singapore Companies Act. I acknowledge that I must notify the Company or the Singapore Parent or Subsidiary in writing within two business days of any of the following events: (i) the acquisition or disposal of an interest (e.g., a Purchase Right or shares of Common Stock) in the Company or any related companies; (ii) any change in previously disclosed interests (e.g., sale of shares of Common Stock), or (iii) becoming a director, an associate director or a shadow director of a Parent or Subsidiary in Singapore, if the individual holds such an interest at that time. These notification requirements apply regardless of whether the director is a resident of or employed in Singapore.

Spain

Terms and Conditions

Nature of Grant

The following provision supplements Section 6 of the Subscription Agreement:

By enrolling in the Stock Purchase Plan, I consent to participation in the Stock Purchase Plan and acknowledge that I have received a copy of the Stock Purchase Plan.

I understand that the Company has unilaterally, gratuitously, and discretionally decided to offer participation in the Stock Purchase Plan to individuals who may be employees of the Company, a Parent or a Subsidiary throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Parent or Subsidiary on an ongoing basis. Consequently, I understand that the offer of participation in the Stock Purchase Plan is grant on the assumption and condition that the Purchase Rights or the shares of Common Stock I purchase shall not become a part of any employment or service contract (either with the Company or with any Parent or Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation), or any other right whatsoever. In addition, I understand that the offer of participation in the Stock Purchase Plan would not be made to me but for the assumptions and conditions referred to above; thus, I acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any offer of participation in the Stock Purchase Plan shall be null and void.

Further, my participation in the Stock Purchase Plan is expressly conditioned on my continued and active rendering of service, such that if my Continuous Employment terminates for any reason whatsoever, my participation in the Stock Purchase Plan shall cease immediately effective on the date of my termination of Continuous Employment. This will be the case, for example, even if (1) I am considered to be unfairly dismissed without good cause (i.e., subject to a “*despido improcedente*”); (2) I am dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) I terminate Continuous Employment due to a change of work location, duties or any other employment or contractual condition; (4) I terminate Continuous Employment due to a unilateral breach of contract by the Company or any Parent or Subsidiary; or (5) my Continuous Employment terminates for any other reason whatsoever.

Notifications

Securities Law Information

The Purchase Rights and shares of Common Stock described in the Stock Purchase Plan and the Subscription Agreement do not qualify under Spanish regulations as a security. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Stock Purchase Plan and the Subscription Agreement, including the Addendum, have not been nor will they be registered with the *Comisión Nacional del Mercado de Valores* (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Information

I understand that it is my responsibility to comply with exchange control regulations in Spain. I am required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the securities (including shares of Common Stock acquired under the Stock Purchase Plan) held in such accounts if the value of the transactions for all such accounts during the prior year or the balances of such accounts as of December 31 of the prior year exceeds €1,000,000.

Different thresholds and deadlines to file this declaration apply. However, if neither such transactions during the immediately preceding year nor the balances/positions as of December 31 exceed €1,000,000, no such declaration must be filed unless expressly required by the Bank of Spain. I understand that if any of such thresholds were exceeded during the current year, may be required to file the relevant declaration corresponding to the prior year, however, a summarized form of declaration may be available. I should consult with a personal tax or legal advisor for further information regarding exchange control reporting obligations.

Further, I understand that I am required to declare the acquisition of shares of Common Stock for statistical purposes to the Spanish *Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed on form D-6 in January for shares of Common Stock owned as of December 31 of each year; however, if the value of the shares of Common Stock or the sale proceeds exceed €1,502,530, a declaration must be filed within one month of the acquisition or sale, as applicable.

Foreign Asset/Account Reporting Information

I understand that to the extent I hold shares of Common Stock or have bank accounts outside of Spain with a value in excess of €50,000 (for each type of asset) as of December 31, I must report information on such assets on my tax return Form 720 for such year with severe penalties in the event of non-compliance. After such shares of Common Stock or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously reported shares of Common Stock or accounts increases by more than €20,000 as of each subsequent December 31, or if I sell shares of Common Stock or cancel bank accounts that were previously reported.

Sweden

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 6 of the Subscription Agreement:

Without limiting the Company and the Employer’s authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 6 of the Subscription Agreement, by participating in the Stock Purchase Plan, I authorize the Company and/or the Employer to withhold shares of Common Stock or to sell shares of Common Stock otherwise deliverable to me upon the purchase of shares of Common Stock under the Stock Purchase Plan in order to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer has an obligation to withhold such Tax-Related Items.

Switzerland

Notifications

Securities Law Information

Neither this document nor any other materials relating to the shares of Common Stock (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”) (ii) may be publicly distributed or otherwise made available in Switzerland to any person other than an employee of the Company or (iii) has been filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority FINMA.

Taiwan

Notifications

Securities Law Information

I understand that the offer of the Stock Purchase Right and the shares of Common Stock to be issued pursuant to the Stock Purchase Plan are available only for employees of the Company and a Parent or Subsidiary. The offer is not a public offer of securities by a Taiwanese company; therefore, it is exempt from registration in Taiwan.

Exchange Control Information

Taiwanese residents may acquire foreign currency and remit the same (including proceeds from the sale of shares of Common Stock or the receipt of dividends) out of Taiwan, up to US\$5 million per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, a Foreign Exchange Transaction Form must be submitted, along with supporting documentation to the satisfaction of the remitting bank.

United Kingdom

Terms and Conditions

Tax Obligations/Withholding Authorization

The following provision supplements Section 6 of the Subscription Agreement:

Without limitation to any provision of the Subscription Agreement, I agree that I am liable for all Tax-Related Items, as and when required by the Company or the Employer, as applicable, or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or other relevant authority). I also agree to indemnify and keep indemnified the Company and the Employer, as applicable, against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on my behalf to HMRC (or any other tax authority or other relevant authority).

Notwithstanding the foregoing, if I am a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), I understand that I may not be able to indemnify the Company for the amount of any Tax-Related Items not collected from or paid by me, in case the indemnification could be considered to be a loan. In this case, any income tax not collected within 90 days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to me on which additional income tax and employee National Insurance contributions ("NICs") may be due. I will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or Employer, as applicable, for the amount of any employee NICs due on this additional benefit, which may be recovered from me by any of the means referred to in Section 5 of the Subscription Agreement.

MARVELL
SEVERANCE AGREEMENT

As amended December 1 2020

This Severance Agreement (the “Agreement”) is made and entered into by and between Matthew Murphy (the “Employee”) and Marvell Semiconductor, Inc. (the “Company”), effective on the last date signed below.

RECITALS

The Company believes that it is imperative to provide the Employee with certain severance benefits upon certain terminations of employment. These benefits will provide the Employee with enhanced financial security and incentive and encouragement to remain with the Company.

Certain capitalized terms used in the Agreement are defined below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Term of Agreement.** This Agreement shall terminate upon the later of (i) January 1, 2023 or (ii) if Employee is terminated involuntarily by Company without Cause prior to January 1, 2023, the date that all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. **At-Will Employment.** The Company and the Employee acknowledge that the Employee’s employment is and shall continue to be at-will, as defined under applicable law, except as may otherwise be specifically provided by applicable law or under the terms of any written formal employment agreement or offer letter between the Company and the Employee (an “Employment Agreement”). This Agreement does not constitute an agreement to employ Employee for any specific time.

3. Severance Benefits.

(a) In the event the Employee is terminated involuntarily by Company without Cause, as defined below, or as a result of the Employee resigning for Good Reason, as defined below, and provided the Employee executes and does not revoke a full release of claims with the Company (in a form satisfactory to the Company) (the "Release"), the Employee will be entitled to receive the severance benefits set out in Section 3(b). "Cause" is defined as: (A) an act of material dishonesty in connection with your job responsibilities; (B) conviction of, or plea of nolo contendere to, a felony or any crime involving fraud, embezzlement or moral turpitude; (C) gross misconduct; (D) willful unauthorized use or disclosure of any proprietary information or trade secrets of the Company or Marvell Technology Group Ltd. ("Marvell"); (E) willful breach of any obligations under any written agreement with the Company or Marvell that is not cured within 10 days after your receipt of written notice from the Company specifying the breach; (F) willful refusal to cooperate in good faith with a governmental or internal investigation of the Company, Marvell or their directors, officers or employees, if the Company or Marvell has requested your cooperation; or (G) willful failure to substantially perform your duties with Company or Marvell (other than as a result of incapacity due to physical or mental illness); provided that the action or conduct described in this clause (G) will constitute "Cause" only if such failure continues after the Company's Board of Directors or Chairman of the Board has provided you with a written demand for substantial performance setting forth in detail the specific respects in which the Company believes you have willfully failed to substantially perform your duties thereof and you have been provided a reasonable opportunity (to be not less than 20 days) to cure the same. "Good Reason" is defined as the occurrence of any of the following conditions without the Employee's consent: (X) a change in the Employee's position within the Company (or a parent or subsidiary employing the Employee) that materially reduces the Employee's level of duties, authority or responsibilities; provided, however, that if there is a change in the Employee's role after which the Employee does not have the role as chief executive officer with respect to a parent entity whose stock is publicly-traded, then such a change shall affirmatively constitute Good Reason; (Y) a reduction of 10% or greater in the Employee's level of annual base salary or incentive compensation eligibility; or (Z) the Company requires (i) the Employee to relocate the principal place of performance of the Employee's duties to a location more than 30 miles from the Employee's principal place of performance and (ii) the relocation results in a greater commute by the Employee.

The Employee's resignation will not constitute a resignation for "Good Reason" unless the Employee first provides the Company (or a parent or subsidiary employing the Employee) with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and provides the Company with 30 days following the date of such notice to cure the condition constituting "Good Reason."

(b) Benefits Provided. The Company shall provide the following payments and benefits to the Employee upon termination of employment in accordance with Section 3(a):

(i) A cash payment in a lump sum (less any withholding taxes) equal to 24 months of base salary (as in effect immediately prior to the termination); and

(ii) A cash payment in a lump sum (less any withholding taxes) equal to the Employee's annual target incentive bonus (as in effect immediately prior to the termination) which is currently 150% of 12 months of base salary; and

(iii) If the Employee, and any spouse and/or dependents of the Employee ("Family Members") has coverage on the date of the Employee's employment termination under a group health plan sponsored by the Company, the Company will reimburse the Employee the total applicable premium cost for continued group health plan coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for a period of twelve (12) months following the Employee's employment termination, provided that the Employee validly elects and is eligible to continue coverage under COBRA for the Employee and his Family Members. However, if the Company determines in its sole discretion that it cannot provide the COBRA reimbursement benefits without potentially violating applicable laws (including, without limitation, Section 2716 of the Public Health Service Act and the Employee Retirement Income Security Act of 1974, as amended), the Company will in lieu thereof provide to the Employee a monthly payment in an amount equal to the monthly COBRA premium (on an after-tax basis) that the Employee would be required to pay to continue the group health coverage in effect on the date of the Employee's termination of employment (which amount will be based on the premium for the first month of COBRA coverage) for such twelve-month period, which payments will be made regardless of whether the Employee elects COBRA continuation coverage; and

(iv) Notwithstanding anything to the contrary in any plan, agreement, or arrangement governing an Equity Award, (a) for each Equity Award subject only to time-based vesting, the vesting will be accelerated as if Employee had remained employed through the date 18 months following the termination of employment date and (b) for each Equity Award subject to performance-based vesting to the extent performance measurement has been completed and shares based on that performance will vest thereafter solely based on time, the vesting will be accelerated as if Employee had remained employed through the date 18 months following the termination of employment date. There shall be no acceleration with respect to that portion of any Equity Awards based on performance where the performance measurement has not been achieved. For purposes of this Agreement "Equity Award" means any equity awards covering shares of the Company's common stock, including stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, performance shares and/or any other equity-based awards.

(c) Release Effectiveness. The receipt of any severance pursuant to Section 3(b) will be subject to Employee signing and not revoking the Release and further subject to the Release becoming effective within sixty (60) days following Employee's termination of employment (the "Release Deadline Date").

(d) Timing of Severance Payments. Any cash severance payment to which Employee is entitled shall be paid by the Company to Employee in a single lump sum in cash on the first Company payroll after the Release Deadline Date, subject to any delay required by Section 3(f).

(e) Change of Control Benefits. In the event the Employee receives severance and other benefits pursuant to a change in control agreement that are greater than or equal to the amounts payable hereunder, then the Employee shall not be entitled to receive severance or any other benefits under this Agreement.

(f) Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, if Employee is a “specified employee” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the final regulations and any guidance promulgated thereunder (“Section 409A”) at the time of Employee’s termination (other than due to death) or resignation, then the severance payable to Employee, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “Deferred Compensation Separation Benefits”) that are payable within the first six (6) months following Employee’s termination of employment, will become payable on or within ten days following the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee’s termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following his termination but prior to the six (6) month anniversary of his termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee’s death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any amount paid under this Agreement that satisfies the requirements of the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. “Section 409A Limit” will mean the lesser of two (2) times: (i) Employee’s annualized compensation based upon the annual rate of pay paid to Employee during the Employee’s taxable year preceding the Employee’s taxable year of Employee’s termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A) (1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee’s employment is terminated.

(iv) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

4. Successors.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 4(a) or which becomes bound by the terms of this Agreement by operation of law. The term "Company" shall also include any direct or indirect subsidiary that is majority owned by the Company or Marvell.

(b) The Employee's Successors. The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

5. Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Employee, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices (attention: Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

6. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other source.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof; provided, however, that any accelerated vesting related to termination of employment described in the Employment Agreement will continue to apply.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY MARVELL SEMICONDUCTOR, INC.

By: /s/ Mitch Gaynor
Name: Mitch Gaynor

Title: Chief Administration and Legal Officer

Date: December 1, 2020

EMPLOYEE /s/ Matthew Murphy

Name: Matthew Murphy

Date: December 1, 2020

317146021.3

CERTIFICATION

I, Matthew J. Murphy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marvell Technology Group Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 4, 2020

By: /s/ Matthew J. Murphy

Matthew J. Murphy
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Jean Hu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Marvell Technology Group Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 4, 2020

By: /s/ Jean Hu

Jean Hu
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

I, Matthew J. Murphy, the Principal Executive Officer of Marvell Technology Group Ltd. (the “Registrant”), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

- (i) the Quarterly Report of the Registrant on Form 10-Q for the fiscal quarter ended October 31, 2020 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 4, 2020

By: /s/ Matthew J. Murphy

Matthew J. Murphy
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Jean Hu, the Principal Financial Officer of Marvell Technology Group Ltd. (the “Registrant”), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

- (i) the Quarterly Report of the Registrant on Form 10-Q for the fiscal quarter ended October 31, 2020 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 4, 2020

By: /s/ Jean Hu

Jean Hu
Chief Financial Officer
(Principal Financial Officer)