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MICRON TECHNOLOGY INC
Form SC 13D
October 03, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO
FILED PURSUANT TO RULE 13d-2(a)
(Amendment No.)*

Micron Technology, Inc.
(Name of Issuer)

Common Stock, \$.10 par value
(Title of Class of Securities)

595112
(CUSIP Number)

Bruce Sewell
Acting General Counsel
Vice President and Assistant General Counsel
Intel Corporation
2200 Mission College Boulevard
Santa Clara, CA 95052
Telephone: (408) 765-8080
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

September 24, 2003
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1 (e), 13d-1 (f) or 13d-1 (g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).1.

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- 1. NAME OF REPORTING PERSON: INTEL CORPORATION
I.R.S. IDENTIFICATION NO. OF ABOVE 94-1672743
PERSON:
- 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a) []
(b) []
- 3. SEC USE ONLY
- 4. SOURCE OF FUNDS** WC
- 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS []
REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e)
- 6. CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE
- 7. SOLE VOTING POWER: 33,860,045
- NUMBER OF
SHARES 8. SHARED VOTING POWER: -0-
- BENEFICIALLY
OWNED BY EACH 9. SOLE DISPOSITIVE POWER: 33,860,045
- REPORTING
PERSON WITH 10. SHARED DISPOSITIVE POWER: -0-
- 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH 33,860,045
REPORTING PERSON:
- 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES** []
- 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 5.3%
(11):
- 14. TYPE OF REPORTING PERSON** CO

**SEE INSTRUCTIONS BEFORE FILLING OUT!

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ITEM 1. Security and Issuer.

- (a) Name and Address of Principal Executive Offices
of Issuer:
Micron Technology, Inc. (the "Issuer")
8000 South Federal Way
P.O. Box 6
Boise, Idaho 83716-9632
- (b) Title of Class of Equity Securities:
Common Stock, \$.10 par value

ITEM 2. Identity and Background.

- (a) Name of Person Filing:
Intel Corporation (the "Reporting Person")
- (b) Address of Principal Business Office:
2200 Mission College Boulevard
Santa Clara, CA 95052-8119

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(c) Principal Business:

Manufacturer of microcomputer components, modules and systems.

(d) Criminal Proceedings:

During the last five years, neither the Reporting Person nor any executive officer or director of the Reporting Person has been convicted in any criminal proceeding.

(e) Civil Proceedings:

During the last five years, neither the Reporting Person nor any executive officer or director of the Reporting Person has been party to any civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to any judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

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(f) Place of Organization:

Delaware

Attached hereto as Appendix A is information required by this Item 2 with respect to the executive officers and directors of the Reporting Person. All such individuals are U.S. citizens, except as otherwise indicated on Appendix A.

ITEM 3. Source and Amount of Funds or Other Consideration.

(a) Source of Funds:

Funds for the purchase of the Stock Rights (as defined in Item 4) were derived from the Reporting Person's working capital.

(b) Amount of Funds:

\$449,999,998.05 was paid to acquire the Stock Rights that are convertible into or exchangeable for (at no additional consideration) 33,860,045 shares of shares of the Issuer's Common Stock.

ITEM 4. Purpose of the Transaction.

On September 24, 2003, the Reporting Person acquired for \$449,999,998.05 non-voting stock rights convertible into or exchangeable for (at no additional consideration) 33,860,045 shares of the Issuer's Common Stock at a conversion price of \$13.29 (the "Stock Rights").

If exercised currently, the number of shares represents approximately 5.3% of the Issuer. The Rights are exercisable at any time subject to compliance with any applicable regulatory requirements. The investment was intended to support the development and supply of next generation memory products. In the event the Issuer fails to achieve certain milestones related to such products and the price of the Issuer's Common Stock is then below Reporting Person's purchase price, the Issuer could be obligated to pay the Reporting Person certain amounts not to exceed \$135 million in the aggregate, a substantial portion of which is payable, at the Issuer's election, in the Issuer's common stock.

The Reporting Person presently holds the Stock Rights as an investment. Depending upon the Reporting Person's evaluation of market conditions, market price, alternative investment opportunities, liquidity needs and other factors, the Reporting Person will from time to time explore opportunities for liquidating all or a portion the Stock Rights, through one or more sales pursuant to public or private offerings or otherwise.

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In such event, the Reporting Person may determine to retain some portion of the Stock Rights as an investment.

ITEM 5. Interest in Securities of the Issuer.

The information contained in Item 4 is incorporated herein by this reference.

(a) Number of Shares Beneficially Owned:
33,860,045 (1)

Percent of Class: 5.3%

(b) Sole Power to Vote, Direct the Vote of, or Dispose of Shares: 33,860,045

(c) Recent Transactions: See Item 4.

(d) Rights with Respect to Dividends or Sales Proceeds: N/A

(e) Date of Cessation of Five Percent Beneficial Ownership: N/A

(1) The Reporting Person does not directly own the securities of the Issuer. By reason of the provisions of Rule 13d-3 under the Securities Exchange Act, as amended, the Reporting Person is deemed to own beneficially the securities of the Issuer that are owned beneficially by Intel Capital Corporation, a wholly-owned subsidiary of the Reporting Person.

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These securities of the Issuer include 33,860,045 shares of Common Stock that the Reporting Person has a right to acquire upon exchange or conversion of the Stock Rights. Furthermore, such shares are beneficially owned by the Reporting Person under Rule 13d-3 because the Reporting Person has a right to acquire such shares of the Issuer's Common Stock by exchange or conversion of the Stock Rights within the next 60 days. The Stock Rights are non-voting securities.

An executive officer of the Reporting Person beneficially owns 350 shares of the Issuer's Common Stock acquired in August 2002.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Pursuant to the Rights and Restrictions Agreement (as defined in Item 7), the Reporting Person has, under certain circumstances, various rights including registration of the Common Stock issuable upon exchange or conversion of the Stock Rights pursuant to certain shelf, demand and piggyback registration rights granted to the Reporting Person. Pursuant to the Rights and Restrictions Agreement, the Reporting Person has certain standstill obligations relating to its acquisition of voting securities of the Issuer.

In addition, the Securities Purchase Agreement, the Rights and Restrictions

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Agreement and the Stock Rights Agreement (as defined in Item 7) place certain restrictions on the transfer of the securities of the Issuer. See the Securities Purchase Agreement, the Rights and Restrictions Agreement, and the Stock Rights Agreement for a further description of these and other provisions.

ITEM 7. Material to be Filed as Exhibits.

Exhibit 1 Securities Purchase Agreement between the Issuer and the Reporting Person dated September 24, 2003 (the "Securities Purchase Agreement")

Exhibit 2 Securities Rights and Restrictions Agreement between the Issuer and the Reporting Person, dated as of September 24, 2003 (the "Rights and Restrictions Agreement")

Exhibit 3 Stock Rights Agreement between the Issuer and the Reporting Person, dated as of September 24, 2003 (the "Rights Agreement")

Exhibit 4 Press Release dated September 24, 2003

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(the "Press Release")

Exhibit 5 Signature Authority dated September 26,
2003

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of October 2, 2003.

INTEL CORPORATION

By: /s/Bruce Sewell
Bruce Sewell
Acting General Counsel
Vice President and
Assistant General Counsel

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APPENDIX A

DIRECTORS

The following is a list of all Directors of Intel Corporation and certain other information with respect to each Director. All Directors are United States citizens except as indicated below.

Name: Craig R. Barrett

Business Intel Corporation, 2200 Mission College
Address: Boulevard, Santa Clara, CA 95052

Principal Chief Executive Officer
Occupation:

Name, principal Intel Corporation, a manufacturer of
business and microcomputer components, modules and systems.
address of 2200 Mission College Boulevard
corporation or Santa Clara, CA 95052
other
organization in
which employment
is conducted:

Name: John Browne

Business BP p.l.c., Britannic House, 1 Finsbury Circus,
Address: London EC2M 7BA

Principal Group Chief Executive
Occupation:

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Name, principal business address of corporation or other organization in which employment is conducted: BP p.l.c., an integrated oil company. Britannic House, 1 Finsbury Circus London EC2M 7BA

Citizenship: British

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Name: Winston H. Chen

Business Address: Paramitas Foundation, 3945 Freedom Circle, Suite 760, Santa Clara, CA 95054

Principal Occupation: Chairman

Name, principal business address of corporation or other organization in which employment is conducted: Paramitas Foundation, a private foundation. 3945 Freedom Circle, Suite 760 Santa Clara, CA 95054

Name: Andrew S. Grove

Business Address: Intel Corporation, 2200 Mission College Boulevard, Santa Clara, CA 95052

Principal Occupation: Chairman of the Board of Directors

Name, principal business address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052

Name: D. James Guzy

Business Address: The Arbor Company, 1340 Arbor Road, Menlo Park, CA 94025

Principal Occupation: Chairman

Name, principal business address of corporation or other organization in which employment is conducted: The Arbor Company, a limited partnership

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business and engaged in the electronics and computer
address of industry.
corporation or 1340 Arbor Road
other Menlo Park, CA 94025
organization in
which employment
is conducted:

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Name: Reed E. Hundt

Business McKinsey & Company, 600 14th Street NW, #300,
Address: Washington, DC 20005

Principal Senior Advisor
Occupation:

Name, principal McKinsey & Company, a management consulting
business and firm.
address of 600 14th Street NW, #300
corporation or Washington, DC 20005
other
organization in
which employment
is conducted:

Name: Paul S. Otellini

Business Intel Corporation, 2200 Mission College
Address: Boulevard, Santa Clara, CA 95052

Principal President and Chief Operating Officer
Occupation:

Name, principal Intel Corporation, a manufacturer of
business and microcomputer components, modules and systems.
address of 2200 Mission College Boulevard
corporation or Santa Clara, CA 95052
other
organization in
which employment
is conducted:

Name: David S. Pottruck

Business The Charles Schwab Corporation, 101 Montgomery
Address: Street, San Francisco, CA 94104

Principal President and Chief Executive Officer
Occupation:

Name, principal The Charles Schwab Corporation, a securities
business and brokerage firm.
address of 101 Montgomery Street
corporation or San Francisco, CA 94104
other

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organization in
which employment
is conducted:

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Name: Jane E. Shaw

Business Address: Aerogen, Inc., 1310 Orleans Drive, Sunnyvale,
CA 94089

Principal Occupation: Chairman and Chief Executive Officer

Name, principal business and address of corporation or other organization in which employment is conducted: Aerogen, Inc., a pulmonary drug delivery company.
1310 Orleans Drive
Sunnyvale, CA 94089

Name: John L. Thornton

Business Address: 375 Park Avenue, Suite 1002, New York, NY
10152

Principal Occupation: Professor and Director of Global Leadership

Name, principal business and address of corporation or other organization in which employment is conducted: 375 Park Avenue, Suite 1002
New York, NY 10152

Name: David B. Yoffie

Business Address: Harvard Business School, Morgan Hall 215,
Soldiers Field Park Road, Boston, MA 02163

Principal Occupation: Max and Doris Starr Professor of International
Business Administration

Name, principal business and address of corporation or other organization in which employment is conducted: Harvard Business School, an educational
institution.
Morgan Hall 215, Soldiers Field Park Road
Boston, MA 02163

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Name: Charles E. Young

Business Address: University of Florida, 226 Tigert Hall, P.O. Box 113150, Gainesville, FL 32610

Principal Occupation: President

Name, principal business and address of corporation or other organization in which employment is conducted: University of Florida, an educational institution. 226 Tigert Hall P.O. Box 113150 Gainesville, FL 32610

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EXECUTIVE OFFICERS

The following is a list of all executive officers of Intel Corporation excluding executive officers who are also directors. Unless otherwise indicated, each officer's business address is 2200 Mission College Boulevard, Santa Clara, California 95052-8119, which address is Intel Corporation's business address.

Name: Andy D. Bryant
Title: Executive Vice President; Chief Financial and Enterprise Services Officer

Name: Sean M. Maloney
Title: Executive Vice President; General Manager, Intel Communications Group
Citizenship: British

Name: Robert J. Baker
Title: Senior Vice President; General Manager, Technology and Manufacturing Group

Name: Sunlin Chou
Title: Senior Vice President; General Manager, Technology and Manufacturing Group

Name: F. Thomas Dunlap, Jr.
Title: Senior Vice President; General Counsel

Name: Ronald J. Smith
Title: Senior Vice President; General Manager, Wireless Communications and Computing Group

Name: Jason Chun Shen Chen
Title: Vice President; Director, Sales and Marketing Group

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Name: John H. F. Miner
Title: Vice President; President, Intel Capital

Name: Arvind Sodhani
Title: Vice President; Treasurer

EXHIBIT 1

CONFIDENTIAL

SECURITIES PURCHASE AGREEMENT

MICRON TECHNOLOGY, INC.

INTEL CAPITAL CORPORATION

September 24, 2003

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SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is entered into as of September 24, 2003 by and between Micron Technology, Inc., a Delaware corporation (the "Company" or the "Corporation") and Intel Capital Corporation, a Cayman Islands corporation ("Intel Capital").

WHEREAS, Intel Capital is willing, pursuant to the terms and conditions of this Agreement, to purchase from the Company, for an aggregate amount of \$449,999,998.05, Rights (as defined below) to acquire 33,860,045 shares of the Company's Common Stock, par value \$0.10 per share (the "Common Stock");

WHEREAS, at the closing of the transactions contemplated hereby, the Company and Intel Capital will enter into the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement (each as defined below).

NOW, THEREFORE, the parties hereby agree as follows:

1. DEFINITIONS

1.1 Certain Defined Terms; Interpretation. The following terms shall have the following respective meanings.

"Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business Agreement" shall mean that certain Business

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Agreement by and between Intel and the Company, dated as of the date hereof, in the form attached to this Agreement as Exhibit A.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in either Boise, Idaho or San Francisco, California.

"Common Stock" shall have the meaning set forth in the recitals to this Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"HSR Act" shall mean Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Intel" shall mean Intel Corporation, a Delaware corporation.

"NYSE" shall mean the New York Stock Exchange.

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"Person" shall mean individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, estate, unincorporated organization, governmental authority or other entity.

"Rights" shall mean the securities issuable pursuant to the Stock Rights Agreement, dated as of the date hereof, between the Company and Intel Capital, having the rights, preferences, privileges and restrictions defined therein, including any Additional Adjustment Rights.

"Rights Agreement" shall mean the Stock Rights Agreement, dated as of the date hereof, between the Company and Intel Capital.

"Rights and Restrictions Agreement" shall mean the Securities Rights and Restrictions Agreement, dated as of the date hereof, between the Company and Intel Capital.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Subsidiary" shall mean each Person in which the Company owns, directly or indirectly, 50% or more of the voting interests or of which the Company otherwise has the right to direct the management.

1.2 Index of Other Defined Terms In addition to the terms defined above, the following terms shall have the respective meanings given thereto in the sections indicated below:

Defined Term	Section
"Action"	3.8
"Additional Adjustment"	2.3

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Rights"	
"Agreement"	Preamble
"Audited Financial Statements"	3.10(b)
"Balance Sheet Date"	3.10(b)
"Closing"	2.2
"Common Stock"	Recitals
"Company"	Preamble
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2. AGREEMENT TO PURCHASE AND SELL SECURITIES

2.1 Agreement to Purchase and Sell Securities. The Company hereby agrees to issue to Intel Capital at the Closing (as defined below) and Intel Capital agrees to purchase from the Company at the Closing, for an aggregate purchase price of \$449,999,998.05 (the "Purchase Price"), Rights representing in the aggregate the right to acquire 33,860,045 shares of Common Stock (the "Shares").

2.2 The Closing. The purchase and sale of the Rights shall take place at the offices of Gibson, Dunn & Crutcher LLP, 1881 Page Mill Road, Palo Alto, California 94304, at 10:00 a.m. California time, on September 24, 2003, or at such other time and place as the Company and Intel Capital mutually agree upon (which time and place is referred to in this Agreement as the "Closing"). At the Closing, the Company will deliver to Intel Capital certificates representing the Rights being purchased, against delivery to the Company by Intel Capital of the consideration set forth in Section 2.1 by wire transfer of immediately available funds to an account designated by the Company at least two (2) Business Days prior to the Closing.

2.3 Additional Adjustment Rights. The Company and Intel Capital acknowledge that pursuant to Sections 7.2.1 and 7.2.2 of the Business Agreement, the Company may be obligated to pay to Intel certain Additional Amounts (as defined and specified in the Business Agreement). Subject to the provisions of this Section 2.3, the Company may elect to satisfy its obligation to pay all or a portion of any Additional Amount by delivering to Intel Capital additional Rights (any such Rights are referred to herein as "Additional Adjustment Rights"). If the Company elects to deliver Additional Adjustment Rights to satisfy its obligation to pay any Additional Amount, then it shall notify Intel Capital of such election, the number of Rights or dollar value of Rights it elects to deliver (based upon the dollar value of the shares of Common Stock that may be acquired pursuant to such Rights), and the date that it will deliver the Additional Adjustment

Rights (any such date, a "Settlement Date"). The Company may deliver Additional Adjustment Rights only if, as of the applicable Settlement Date, the information contained in the SEC Documents (as defined in Section 3.10(a) hereof), as filed prior to the Settlement Date, with respect to the business, operations, results of operations and financial condition of the Company and its subsidiaries, taken as a whole, and the transactions contemplated by this Agreement, taken together, are true and complete in all material respects and do not omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company delivers to Intel Capital on the Settlement Date, a certificate of its Chief Executive Officer or Chief Financial Officer to that effect. For purposes of satisfying the Company's obligations to pay any Additional Amount, any Additional Adjustment Rights shall be valued based upon the average closing prices of the Common Stock on the NYSE, as reported by Bloomberg L.P., for the twenty (20) trading day period ending and including the third trading day prior to the Settlement Date. The Company may not elect to deliver Additional Adjustment Rights in satisfaction of its obligations to pay any Additional Amount if, as of the Settlement Date, the Common Stock is not listed on the NYSE or the NASDAQ National Market, if the Company has taken action towards delisting or intends to delist the Common Stock from the NYSE or the NASDAQ National Market.

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3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrants to Intel Capital that the statements in this Section 3 are true and correct, except as set forth in the Disclosure Letter from the Company dated the date hereof (the "Disclosure Letter") or disclosed in the SEC Documents (as defined below):

3.1 Organization Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to (a) carry on its business as presently conducted, and (b) enter into this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement, to issue the Rights, any Additional Adjustment Rights and any shares of Common Stock issuable pursuant to the Rights and any Additional Adjustment Rights, and to consummate the transactions contemplated hereby and thereby. The Company is qualified to do business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means a material adverse effect, or a group of such effects which are related, on the business, operations, financial condition or results of operations, of the applicable party and its Subsidiaries, taken as a whole.

3.2 Capitalization. The authorized and outstanding capital stock of the Company at September 19, 2003, without giving effect to the transactions contemplated by this Agreement, is as set forth in the Disclosure Letter or the SEC Documents. All outstanding shares of capital stock have been duly authorized, and all such issued and outstanding shares have been validly issued and are fully paid and nonassessable. The Disclosure

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Letter or the SEC Documents include information regarding equity securities reserved for issuance to officers, directors, employees or independent contractors or affiliates of the Company under the Company's employee stock option and purchase plans and upon conversion of convertible securities. Except as set forth in the Disclosure Letter or the SEC Documents, there are no other equity securities, options, warrants, calls, rights, commitments or agreements of any character to which the Company is a party or by which it is bound obligating the Company to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any shares of the capital stock of the Company or obligating the Company to grant, extend or enter into any such equity security, option, warrant, call, right, commitment or agreement.

3.3 Due Authorization. The Company has the requisite corporate power and authority to enter into this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement, and performance by the Company of its obligations hereunder and thereunder, including without limitation, the issuance of the Rights, have been duly authorized by all necessary corporate action on the part of the Company (including its directors and stockholders). This Agreement constitutes, and the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement, when executed and delivered by the parties thereto, will constitute, valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except (a) as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) the effect of rules of

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law governing the availability of equitable remedies and (b) as rights to indemnity or contribution may be limited under federal or state securities laws or by principles of public policy thereunder.

3.4 Valid Issuance.

(a) Valid Issuance and Enforceability of Rights. The Rights, including any Additional Adjustment Rights, issued pursuant to this Agreement have been duly authorized, and, when executed in accordance with the provisions of the Rights Agreement and delivered to and paid for by Intel Capital in accordance with the provisions of this Agreement, will be valid and binding obligations of the Company, enforceable in accordance with their terms, except (a) as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or other laws of general application, relating to or affecting the enforcement of creditors' rights generally and (ii) the effect of rules of laws governing the availability of equitable remedies and (b) as rights to indemnity or contribution may be limited under federal or state securities laws or by principles of public policy thereunder.

(b) Valid Issuance of Shares. The shares of Common Stock

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issuable upon conversion, exchange or exercise of the Rights, including any Additional Adjustment Rights, have been duly authorized and reserved, and when issued upon conversion, exchange or exercise of the Rights in accordance with the terms of the Rights Agreement, will be duly and validly issued, fully paid and nonassessable. The shares of Common Stock issuable pursuant to the Rights, including any Additional Adjustment Rights, have been duly authorized and reserved, and upon issuance pursuant to the term of the Rights Agreement, will be duly and validly issued, fully paid and nonassessable.

3.5 Compliance with Securities Laws. Assuming the accuracy of the representations made by Intel Capital in Section 4 hereof, the Rights, including any Additional Adjustment Rights, and the shares of Common Stock issuable upon conversion, exercise or exchange of the Rights, including any Additional Adjustment Rights, will be issued to Intel Capital in compliance with applicable exemptions from (i) the registration and prospectus delivery requirements of the Securities Act and (ii) the registration and qualification requirements of all applicable securities laws of the states of the United States.

3.6 Governmental Consents. No consent, approval, order or authorization of, or registration qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except: (i) compliance with the HSR Act which may be required for the conversion, exercise or exchange of the Rights to acquire shares of Common Stock; (ii) the filing of a current report on Form 8-K by the Company with the SEC following the Closing; (iii) the filing of such qualifications or filings under the Securities Act and the regulations thereunder and all applicable state securities laws as may be required in connection with the transactions contemplated by this Agreement; and (iii) as expressly required or contemplated by the terms of the Rights and Restrictions Agreement. All such qualifications and filings in connection with the issuance of the Rights have been made or are effective.

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3.7 Non-Contravention. The execution, delivery and performance of this Agreement, the Rights Agreement, the Rights and Restrictions Agreement, and the Business Agreement by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, do not and will not (i) contravene or conflict with the Certificate of Incorporation or Bylaws of the Company, as amended; (ii) constitute a violation of any provision of any federal, state, local or foreign law binding upon or applicable to the Company; or (iii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which the Company is entitled under, or result in the creation or imposition of any lien, claim or encumbrance on any assets of the Company under, any contract to which the Company is a party or any permit, license or similar right relating to the Company or by which the Company may be bound, except in the case of clause (ii) and (iii) as, individually or in the aggregate, would not have a Material Adverse Effect.

3.8 Litigation. There is no action, suit, proceeding,

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claim, arbitration or investigation ("Action") pending: (a) against the Company, properties or assets or, to the best of the Company's knowledge, against any officer, director or employee of the Company in connection with such officer's, director's or employee's relationship with, or actions taken on behalf of, the Company, which the Company believes is reasonably likely to have a Material Adverse Effect, or (b) that seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement. The Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which it believes is reasonably likely to have a Material Adverse Effect. No Action by the Company is currently pending nor does the Company intend to initiate any Action which it believes is reasonably likely to have a Material Adverse Effect.

3.9 Compliance with Law and Charter Documents. The Company is not in violation or default of any provisions of its Certificate of Incorporation or Bylaws, both as amended. The Company has complied and is in compliance with all applicable statutes, laws, and regulations and executive orders of the United States of America and all states, foreign countries and other governmental bodies and agencies having jurisdiction over the Company's business or properties, except for any violations that would not, either individually or in the aggregate, have a Material Adverse Effect.

3.10 SEC Documents.

(a) Reports. The Company has filed all required forms, reports and documents with the SEC since January 1, 2002. The Company has furnished or made available to Intel Capital prior to the date hereof copies of its Annual Report on Form 10-K for the fiscal year ended August 29, 2002 ("Form 10-K"), its Quarterly Reports on Form 10-Q for the fiscal quarters ended November 28, 2002, February 27, 2003 and May 29, 2003 (the "Form 10-Q's"), and all other registration statements, reports and proxy statements filed by the Company with the SEC on or after August 31, 2002 (the Form 10-K, the Form 10-Q's and such registration statements, reports and proxy statements are collectively referred to herein as the "SEC Documents"). Each of the SEC Documents, as of the respective date thereof (or if amended or superseded by a filing prior to the closing date of this Agreement, then on the

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date of such filing), did not, and each of the registration statements, reports and proxy statements filed by the Company with the SEC after the date hereof and prior to the Closing will not, as of the date thereof (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company is not a party to any material contract, agreement or other arrangement which was required to have been filed as an exhibit to the SEC Documents that was not so filed.

(b) Financial Statements. The SEC Documents include the Company's audited consolidated financial statements (the "Audited Financial Statements") for the fiscal year ended August 29, 2002,

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and its unaudited consolidated financial statements for the nine-month period ended May 29, 2003 (the "Balance Sheet Date"). Since the Balance Sheet Date, the Company has duly filed with the SEC all forms, reports and other documents required to be filed by it under the Exchange Act and the Securities Act. The audited and unaudited consolidated financial statements of the Company included in the SEC Documents filed prior to the date hereof fairly present, in conformity with United States generally accepted accounting principles ("GAAP") (except as permitted by Form 10-Q) applied on a consistent basis (except as may be indicated in such financial statements or the notes thereto), the consolidated financial position of the Company and its consolidated Subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject to normal year-end audit adjustments in the case of the unaudited interim financial statements contained in the Form 10-Qs, which adjustments are not expected to be material in amount).

3.11 Absence of Certain Changes Since Balance Sheet. Since the Balance Sheet Date, except as disclosed in or contemplated by the SEC Documents, the business and operations of the Company have been conducted in the ordinary course consistent with past practice, and there has not been:

(a) any declaration, setting aside or payment of any dividend or other distribution of the assets of the Company with respect to any shares of capital stock of the Company or any repurchase, redemption or other acquisition by the Company or any Subsidiary of the Company of any outstanding shares of the Company's capital stock;

(b) any damage, destruction or loss, whether or not covered by insurance, except for such occurrences that have not resulted, and are not expected to result, in a Material Adverse Effect;

(c) any waiver by the Company of a valuable right or of a material debt owed to it, except for such waivers that have not resulted and are not expected to result, in a Material Adverse Effect;

(d) any material change or amendment to, or any waiver of any material rights under a material contract or arrangement by which the Company or any of its assets, or properties is bound or subject, except for changes, amendments or waivers that are expressly provided for or disclosed in this Agreement or that have not resulted, and are not expected to result, in a Material Adverse Effect;

(e) any change by the Company in its accounting principles, methods or practices or in the manner it keeps its accounting books and records; and

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(f) any other event or condition of any character, except for such events and conditions that have not resulted, either individually or collectively, in a Material Adverse Effect.

3.12 Full Disclosure. The information contained in this Agreement, the Disclosure Letter and the SEC Documents with respect to the business, operations, results of operations and

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financial condition of the Company, and the transactions contemplated by this Agreement, taken together, are true and complete in all material respects and do not omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF SILICON CAPITAL.

Intel Capital represents and warrants to the Company as follows:

4.1 Investigation; Economic Risk. Intel Capital has received or has had full access to all of the information it considers necessary or appropriate to make an informed investment decision with respect to the Rights to be purchased by Intel Capital under this Agreement. Intel Capital further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Rights and the shares of Common Stock into which they are convertible, exercisable or exchangeable and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Intel Capital or to which Intel Capital had access. The foregoing, however, does not in any way limit or modify the representations and warranties made by the Company in Section 3. Intel Capital understands that the purchase of the Rights involves substantial risk. Intel Capital acknowledges that it is able to fend for itself in the transactions contemplated by this Agreement and has the ability to bear the economic risks of its investment pursuant to this Agreement and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this investment in the Rights and the shares of Common Stock into which they are convertible, exercisable or exchangeable and protecting its own interests in connection with this investment.

4.2 Purchase for Own Account. Intel Capital will acquire the Rights, and any Additional Adjustment Rights for its own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

4.3 Exempt from Registration; Restricted Securities. Intel Capital understands that the sale and issuance of the Rights and any Additional Adjustment Rights and the issuance of any shares of Common Stock upon conversion, exercise or exchange thereof will not be registered under the Securities Act on the ground that the sale provided for in this Agreement is exempt from registration under of the Securities Act, and that the reliance of the Company on such exemption is predicated in part on Intel Capital's representations set forth in this Agreement. Intel Capital understands that the Rights, including any Additional Adjustment Rights, and any shares of Common Stock issuable upon conversion, exercise or exchange thereof are restricted securities within the meaning of Rule 144 under the Securities Act, and must be held indefinitely unless they are subsequently registered or an exemption from such registration is available. Intel Capital understands that the Company is under no obligation to register any of the securities sold hereunder except as provided in the Rights and Restrictions Agreement.

4.4 Accredited Investor. Intel Capital is an "accredited investor" as that term is defined in Rule 501(a)(8) of Regulation D as promulgated by the SEC under the Securities Act.

4.5 Legends. Intel Capital agrees that the Rights, including any Additional Adjustment Rights, and the shares of Common Stock issuable upon conversion, exercise or exchange thereof, will bear legends and be subject to the restrictions on transfer as provided in the Rights and Restrictions Agreement. In addition, Intel Capital agrees that the Company may place stop transfer orders with its transfer agents with respect to such instruments. The appropriate portion of the legend shall be removed in accordance with the provisions of the Rights and Restrictions Agreement and the stop transfer orders shall be removed promptly upon delivery to the Company of such satisfactory evidence as reasonably may be required by the Company that such stop orders are not required to ensure compliance with the Securities Act.

4.6 Organization Good Standing and Qualification. Intel Capital is a corporation duly organized, validly existing and in good standing under the laws of the Cayman Islands and has all corporate power and authority required to (a) carry on its business as presently conducted, and (b) enter into this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement and to consummate the transactions contemplated hereby and thereby.

4.7 Due Authorization; Capitalization. Intel Capital has the requisite corporate power and authority to enter into this Agreement, the Rights Agreement and the Rights and Restrictions Agreement and to perform its obligations hereunder and thereunder. Intel Capital is an indirect, wholly-owned subsidiary of Intel and all outstanding shares of capital stock of Intel Capital are owned free and clear of any pledge, lien or security interests. The execution and delivery of this Agreement, the Rights Agreement and the Rights and Restrictions Agreement, and performance by Intel Capital of its obligations hereunder and thereunder, have been duly authorized by all necessary corporate action on the part of Intel Capital. This Agreement constitutes, and the Rights Agreement and the Rights and Restrictions Agreement, when executed and delivered by the parties thereto, will constitute, valid and legally binding obligations of Intel Capital, enforceable against the Intel Capital in accordance with their respective terms, except (a) as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) the effect of rules of law governing the availability of equitable remedies and (b) as rights to indemnity or contribution may be limited under federal or state securities laws or by principles of public policy thereunder.

4.8 Governmental Consents. No consent, approval, order or authorization of, or registration qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of Intel Capital is required in connection with the consummation of the transactions contemplated by this Agreement, except (i) compliance with the

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HSR Act which may be required for the conversion, exercise or exchange of the Rights for Common Stock, and (ii) as expressly required or contemplated by the terms of the Rights and Restrictions Agreement.

4.9 Non-Contravention. The execution, delivery and performance of this Agreement, the Rights Agreement and the Rights and Restrictions Agreement by Intel Capital, and the consummation by Intel Capital of the transactions contemplated hereby and thereby, do not and will not (i) contravene or conflict with the Certificate of Incorporation or Bylaws of Intel Capital,

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as amended; (ii) constitute a violation of any provision of any federal, state, local or foreign law binding upon or applicable to Intel Capital; or (iii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which Intel Capital is entitled under, or result in the creation or imposition of any lien, claim or encumbrance on any assets of Intel Capital under, any contract to which Intel Capital is a party or any permit, license or similar right relating to Intel Capital or by which Intel Capital may be bound, except in the case of clause (ii) and (iii) as, individually or in the aggregate, would not have a Material Adverse Effect.

4.10 Restrictions on Hedging. Neither Intel Capital nor any of its Affiliates as of the Closing holds any short position with respect to the Company's Common Stock or is a party to any other contract, option, right, warrant to sell, purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock of the Company or any securities convertible or exercisable into shares of Common Stock of the Company, including any swap or other derivative contract that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock of the Company (a "Hedging Transaction"). Intel Capital and its Affiliates agree not to enter into any such Hedging Transaction until such time following the public dissemination of the press release contemplated by Section 7.4 hereof and the filing by the Company of a Current Report on Form 8-K with respect to the transaction after Closing (provided such filing is made within two (2) trading days of the Closing).

5. AFFIRMATIVE COVENANTS OF THE COMPANY.

The Company covenants to Intel Capital as follows:

5.1 Listing of Shares. Within thirty (30) days following the Closing, the Company shall take action so that the shares of Common Stock issuable upon conversion, exercise or exchange of the Rights will be listed on the New York Stock Exchange upon official notice of issuance.

6. CLOSING CONDITIONS.

6.1 Conditions to Intel Capital's Obligations. The obligations of Intel Capital to consummate the transactions contemplated by this Agreement at the Closing are subject to the fulfillment or waiver, on or before the Closing, of each of the

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following conditions:

(a) Representations and Warranties True. (i) Each of the representations and warranties of the Company contained in Section 3 and qualified by "Material Adverse Effect" or the term "material" will be true and correct on and as of the date hereof and on and as of the date of the Closing, and (ii) each of the representations and warranties of the Company contained in Section 3 and not qualified by "Material Adverse Effect" or the term "material," disregarding all qualifications and exceptions contained therein relating to materiality, will be true and correct in all material respects on and as of the date hereof and on and as of the date of the Closing, in each case with the same effect as though such representations and warranties had been made as of the Closing.

(b) Performance. The Company will have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be

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performed or complied with by it on or before the Closing and will have obtained all approvals, consents and qualifications necessary to complete the purchase and sale described herein.

(c) Compliance Certificate. The Company will have delivered to the Intel Capital at the Closing a certificate signed on its behalf by its Chief Executive Officer or Chief Financial Officer certifying that the conditions specified in Section 6.1(a) and (b) hereof have been fulfilled.

(d) Securities Exemptions. The offer and sale of the Rights to Intel Capital pursuant to this Agreement and the Rights Agreement will be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

(e) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto will be reasonably satisfactory in form and substance to Intel Capital, and Intel Capital will have received all such counterpart originals and certified or other copies of such documents as it may reasonably request. Such documents shall include (but not be limited to) the following:

(i) Certified Charter Documents. A copy of the Certificate of Incorporation certified as of a recent date by the Secretary of State of Delaware as a complete and correct copy thereof, and the Bylaws of the Company (as amended through the date of the Closing), certified by the Secretary of the Company as true and correct copies thereof as of the Closing.

(ii) Board Resolutions. A copy, certified by the Secretary of the Company, of the resolutions of the Board of Directors of the Company providing for the approval of the transactions contemplated by this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement and the issuance of the Rights, including, as applicable, the Additional Adjustment Shares, and the shares of Common Stock issuable upon conversion, exercise or exchange

thereof.

(f) Opinion of Company Counsel. Intel Capital will have received an opinion on behalf of the Company, dated as of the date of the Closing, from counsel to the Company, in form and substance reasonably satisfactory to Intel Capital.

(g) Other Agreements. The Company will have executed and delivered the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement.

6.2 Conditions to the Company's Obligations. The obligations of the Company to consummate the transactions contemplated by this Agreement at the Closing are subject to the fulfillment or waiver on or before the Closing, of each of the following conditions:

(a) Representations and Warranties True. (i) Each of the representations and warranties of Intel Capital contained in Section 4 and qualified by "Material Adverse Effect" or the term "material" will be true and correct on and as of the date hereof and on and as of the date of the Closing, and (ii) each of the representations and warranties of Intel Capital contained in Section 4 and not qualified by "Material Adverse Effect" or the term "material," disregarding all

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qualifications and exceptions contained therein relating to materiality, will be true and correct in all material respects on and as of the date hereof and on and as of the date of the Closing, in each case with the same effect as though such representations and warranties had been made as of the Closing.

(b) Performance. Intel Capital will have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing and will have obtained all approvals, consents and qualifications necessary to complete the purchase and sale described herein.

(c) Payment of Purchase Price. Intel Capital will have delivered to the Company the Purchase Price of the Rights as specified in and in accordance with Section 2.1.

(d) Securities Exemptions. The offer and sale of the Rights to Intel Capital pursuant to this Agreement will be exempt from the registration requirements of the Securities Act and the registration and/or qualification requirements of all applicable state securities laws.

(e) Other Agreements. Intel Capital will have executed and delivered the Rights Agreement and the Rights and Restrictions Agreement, and Intel will have executed and delivered the Business Agreement.

7. CONFIDENTIALITY OBLIGATIONS

7.1 Obligations. Except to the extent required by law or judicial order or except as provided herein, each party to this Agreement will hold any of the other's Confidential Information (as defined in the next paragraph) in confidence and will: (i)

use the same degree of care to prevent unauthorized disclosure or use of the Confidential Information that the receiving party uses with its own information of like nature (but in no event less than reasonable care), (ii) limit disclosure of the Confidential Information, including any materials regarding the Confidential Information that the receiving party has generated, to such of its employees and contractors as have a need to know the Confidential Information to accomplish the purposes of this Agreement, and (iii) advise its employees, agents and contractors of the confidential nature of the Confidential Information and of the receiving party's obligations under this Agreement and the Corporate Non-Disclosure Agreement #19096.

7.2 Certain Definitions. For purposes of this Agreement, the term "Confidential Information" includes this Agreement, the Rights Agreement, the Business Agreement and the Rights and Restrictions Agreement (collectively, the "Transaction Agreements"). Any employee or contractor of the receiving party having access to the Confidential Information will be required to sign a non-disclosure agreement protecting the Confidential Information if not already bound by such a non-disclosure agreement.

7.3 Non-Disclosure of Agreements. Except to the extent required by law or judicial order or except as provided herein, neither party shall disclose the Transaction Agreements or any of their terms without the other's prior written approval, which approval will not be delayed or unreasonably withheld. Either party may disclose the Transaction Agreements to the extent required by law or judicial order, provided that if such disclosure is pursuant to judicial order or proceedings, the disclosing party will notify the other party promptly before such disclosure and

will cooperate with the other party to seek confidential treatment with respect to the disclosure if requested by the other party and provided further that if such disclosure is required pursuant to the rules and regulations of any federal, state or local organization, the parties will cooperate to seek confidential treatment of the Transaction Agreements to the maximum extent possible under law. Notwithstanding the foregoing, in the absence of any prior disclosure of any of the Transaction Agreements or the terms thereof pursuant to this Section 7.3, each party may disclose the Transaction Agreements or any of their terms to its agents or third party consultants who have a need to know arising out of the establishment, implementation, administration, termination or enforcement of the Transaction Agreements provided such agents are informed of the confidential nature of the Transaction Agreements and the terms thereof and are bound, either by statutory rules of professional responsibility to maintain client confidences with respect thereto or, in the absence of such statutory duties, are bound by the terms of a applicable nondisclosure agreement that treats as confidential information the Transaction Agreements and the terms thereof.

The Company agrees that it will provide Intel Capital with the relevant portions of any drafts of any documents, press releases or other filings in which the Agreement or its contents are to be disclosed prior to the filing thereof to consult with

the Company as to the contents of such filing. The Company will endeavor to provide adequate opportunity for Intel Capital review and comments prior to any disclosure or filing. The minimum prior notice to Intel Capital for such review is two (2) business days.

7.4 Public Announcements. Upon execution of this Agreement, the parties will mutually agree on language to be included in press release(s) announcing the existence of the transactions contemplated by this Agreement, which press release will be issued promptly following the execution of this Agreement.

7.5 Third Party Information. Neither party will be required to disclose to the other any confidential information of any third party without having first obtained such third party's prior written consent.

7.6 Other Disclosures. Except as otherwise provided for in Sections 7.3, 7.4, 7.5 and 7.7 hereof, all confidential information exchanged by the parties will be disclosed pursuant to the Intel Corporation/Micron Technology, Inc. Corporate Non-Disclosure Agreement #19096.

7.7 Disclosure of Tax Treatment, Etc. Notwithstanding anything herein to the contrary, any party to this Agreement or the other Transaction Agreements (and any employee, representative, or other agent of any party to this Agreement or the other Transaction Agreements) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and the other Transaction Agreements and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that this sentence shall not permit any disclosure that otherwise is prohibited by this Agreement or the other Transaction Agreements if such disclosure would result in a violation of federal or state securities laws, and provided, further, that this sentence shall not permit disclosure of any information to the extent not related to the tax aspects of the transactions contemplated by this Agreement or the other Transaction Agreements. The parties to this Agreement acknowledge that they have no knowledge or reason to know that such disclosure is otherwise limited.

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8. MISCELLANEOUS.

8.1 Governing Law. This Agreement shall be governed in all respects by and construed in accordance with the laws of the State of Delaware, without regard to provisions regarding choice of laws. Jurisdiction shall be in the courts of the state of domicile of the defending party to the original action.

8.2 Survival. The representations, warranties, covenants and agreements made herein shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby, provided that the representations and warranties set forth herein shall terminate as of the first anniversary of the date hereof (other than with respect to any claims asserted prior to such date, as to which they shall

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survive solely for the purpose of resolving such claims until the resolution thereof).

8.3 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. This Agreement and the rights and obligations herein may not be assigned by Intel Capital without the prior written consent of the Company, except to a Qualified Subsidiary (as defined in the Rights and Restrictions Agreement) or the Parent. This Agreement and the rights and obligations herein may not be assigned by the Company without the prior written consent of Intel Capital.

8.4 Entire Agreement. This Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement, and the agreements, exhibits and schedules referred to herein and therein constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

8.5 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be delivered to the other party (a) in person; (b) by facsimile to the address and number set forth below, when promptly followed up by another of the delivery methods permitted by this Section 8.5; (c) by U.S. mail, registered or certified, return receipt requested, postage prepaid and addressed to the other party as set forth below; or (d) by a national-recognized overnight delivery service that keeps records of deliveries and attempted deliveries (such as FedEx), postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

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To Intel Capital
c/o Intel Corporation
2200 Mission College Blvd,
M/S RN6-46
Santa Clara, California 95052
Attn: Intel Capital Portfolio
Manager
Fax Number: (408) 765-6038

To the Company
Micron Technology, Inc.
8000 S. Federal Way
P.O. Box 6
Boise, Idaho 83716
Attn: Chief Financial Officer
Fax Number: (208) 308-2900

with copies to:

with copies to:

portfolio.manager@intel.com

Micron Technology, Inc.
8000 S. Federal Way
P.O. Box 6
Boise, Idaho 83716
Attn: General Counsel
Fax Number: (208) 308-4509

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A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 8.5 by giving the other party written notice of the new address in the manner set forth above.

8.6 Amendments. Any term of this Agreement may be amended only with the prior written consent of the Company and Intel Capital.

8.7 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to the Company or to Intel Capital, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of the Company or Intel Capital, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of the Company or Intel Capital of any breach or default under this Agreement or any waiver on the part of the Company or Intel Capital of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Company or Intel Capital shall be cumulative and not alternative.

8.8 Legal Fees. In the event of any action at law, suit in equity or arbitration proceeding in relation to this Agreement or any units or securities of the Company issued or to be issued, the prevailing party shall be paid by the other party a reasonable sum for attorney's fees and expenses for such prevailing party.

8.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

8.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but both of which together shall constitute one instrument.

8.11 Severability. Should any provision of this Agreement be determined to be illegal or unenforceable, such determination shall not affect the remaining provisions of this Agreement.

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8.12 Dispute Resolution. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of both parties, then each party shall nominate one senior officer of the rank of Vice President or higher as its representative. These representatives shall, within thirty (30) days of a written request by either party to call such a meeting, meet in person and alone (except for one assistant for each party) and shall attempt in good faith to resolve the dispute. If the disputes cannot be resolved by such senior managers in such meeting, the parties agree that they shall, if requested in writing by either party, meet within thirty (30) days after such written notification for one day with an impartial mediator and consider dispute resolution alternatives other than litigation. If an alternative method of

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dispute resolution is not agreed upon within thirty (30) days after the one day mediation, either party may proceed as they see fit. This procedure shall be a prerequisite before taking any additional action hereunder.

8.13 No Third Parties Benefited. This Agreement is made and entered into for the protection and benefit of the parties hereto and their permitted successors and assigns, and, except as expressly provided herein, no other Person shall be a direct or indirect beneficiary of or have any direct or indirect cause of action or claim in connection with this Agreement or any of the documents executed in connection herewith.

8.14 Meaning of Include and Including. Whenever in this Agreement the word "include" or "including" is used, it shall be deemed to mean "include, without limitation" or "including, without limitation," as the case may be. and the language following "include" or "including" shall not be deemed to set forth an exhaustive list.

8.15 Fees, Costs and Expenses. All fees, costs and expenses (including attorney's' fees and expenses) incurred by either party hereto prior to the Closing in connection with the preparation, negotiation and execution of this Agreement, the Rights Agreement, the Rights and Restrictions Agreement and the Business Agreement and the consummation of the transactions contemplated hereby and thereby (including the costs associated with any filings with, or compliance with any of the requirements of, any governmental authorities), shall be the sole and exclusive responsibility of such party.

8.16 Competition. Nothing set forth herein shall be deemed to preclude, limit or restrict the Company's or Intel Capital's and their respective Affiliates' ability to compete with the other.

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IN WITNESS WHEREOF, the parties have executed this Securities Purchase Agreement as of the date first written above.

INTEL CAPITAL CORPORATION

MICRON TECHNOLOGY, INC.

By:/s/Arvind Sodhani

By:/s/W. G. Stover, Jr.

Name: Arvind Sodhani
Title: Vice President
and Treasurer

Name: W. G. Stover, Jr.
Title: Vice President
and Chief
Financial Officer

{Signature Page to Securities Purchase Agreement}

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CONFIDENTIAL

IN WITNESS WHEREOF, the parties have executed this Securities Purchase Agreement as of the date first written above.

INTEL CAPITAL CORPORATION

MICRON TECHNOLOGY, INC.

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By:/s/Arvind Sodhani

By:/s/W. G. Stover, Jr.

Name: Arvind Sodhani
Title: Vice President
and Treasurer

Name: W. G. Stover, Jr.
Title: Vice President
and Chief
Financial Officer

{Signature Page to Securities Purchase Agreement}

DISCLOSURE LETTER

September 24, 2003

CONFIDENTIAL

This constitutes the "Disclosure Letter" defined in Section 3 of the Securities Purchase Agreement, dated as of the date hereof (the "Purchase Agreement"), by and between Micron Technology, Inc., a Delaware corporation (the "Company") and Intel Capital Corporation, A Cayman Islands corporation. Unless Otherwise defined herein, capitalized terms used in this Disclosure Letter shall have the meanings assigned to such terms in the Purchase Agreement.

Other than as set forth in Section 3 of the Purchase Agreement and as disclosed in the SEC documents, the Company does not have any additional information that would be required to be disclosed under Section 3 of the Purchase Agreement.

MICRON TECHNOLOGY, INC.

By:/s/W. G. Stover, Jr

Name: W. G. Stover, Jr.
Title: Vice President of
Finance and Chief
Financial Officer

EXHIBIT 2

SECURITIES RIGHTS AND RESTRICTIONS AGREEMENT

Between

MICRON TECHNOLOGY, INC.

and

INTEL CAPITAL CORPORATION

Dated as of September 24, 2003

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SECURITIES RIGHTS AND RESTRICTIONS AGREEMENT

THIS SECURITIES RIGHTS AND RESTRICTIONS AGREEMENT (this "Agreement") is made as of September 24, 2003, between MICRON TECHNOLOGY, INC., a Delaware corporation ("Micron"), and INTEL CAPITAL CORPORATION, a Cayman Islands corporation ("Intel Capital").

RECITALS

A. Intel Capital has agreed to purchase from Micron, and Micron has agreed to sell and issue to Intel Capital, stock rights (the "Rights") to be issued by Micron pursuant to that certain Stock Rights Agreement, dated of even date herewith (the "Stock Rights Agreement"), on the terms and conditions set forth in that certain Securities Purchase Agreement, dated September 24, 2003, by and between Micron and Intel Capital (the "Securities Purchase Agreement"). The Rights are exchangeable for Common Stock (the "Common Stock") of the Company.

B. The Securities Purchase Agreement provides for the execution and delivery of this Agreement at the closing of the transactions contemplated thereby.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and conditions herein and in the Securities Purchase Agreement, the parties hereto hereby agree as follows:

SECTION 1 DEFINITIONS

1.1 Certain Definitions. As used in this Agreement:

(a) "Additional Adjustment Rights" has the meaning set forth in Section 2.3 of the Securities Purchase Agreement.

(b) "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes of this definition, "control" when used with respect to any Person,

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means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding the above, unless expressly provided to the contrary herein, the term Affiliate shall exclude officers, directors and any employee benefit plan or pension plan of a Person.

(c) "Beneficial ownership" or "beneficial owner" has the meaning provided in Rule 13d-3 promulgated under the Exchange Act. References to ownership of Voting Securities hereunder mean beneficial ownership.

(d) "Business Agreement" means that certain Business Agreement dated the date hereof between Intel Corporation and Micron.

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(e) "Change in Control of Micron" shall mean a merger, consolidation or other business combination or the sale of all or substantially all of the assets of Micron (other than a transaction pursuant to which the holders of the voting stock of Micron outstanding immediately prior to such transaction have the entitlement to exercise, directly or indirectly, fifty percent (50%) or more of the Total Voting Power of the continuing, surviving entity or transferee immediately after such transaction).

(f) "Common Stock" has the meaning set forth in paragraph A of the Recitals hereto.

(g) "Demand Registration Statement" has the meaning set forth in Section 4.1(a).

(h) "Demand Request" has the meaning set forth in Section 4.1(a).

(i) "Demand/Tranche Managing Underwriters" has the meaning set forth in Section 4.4(c).

(j) "Demand/Tranche Market Cut-Back" has the meaning set forth in Section 4.4(d).

(k) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(l) "Group" or "group" shall have the meaning provided in Section 13(d)(3) of the Exchange Act and the rules and regulations promulgated thereunder, but shall exclude any institutional underwriter purchasing Voting Securities of Micron in connection with an underwritten registered offering for purposes of a distribution of such securities.

(m) "Hedging Transactions" means engaging in short sales and the purchase and sale of puts and calls and other derivative securities, so long as Intel Capital retains beneficial ownership of the Shares.

(n) "Indemnified Party" has the meaning set forth in

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Section 4.6(c).

(o) "Indemnifying Party" has the meaning set forth in Section 4.6(c).

(p) "Intel Capital Public Offering Lock-up" has the meaning set forth in Section 4.9(a).

(q) "Issuance Date" has the meaning set forth in Section 4.10(b).

(r) "Micron Public Offering Lock-up" has the meanings specified in Section 4.9(b).

(s) "Parent" has the meaning set forth in Section 3.1(b).

(t) "Person" shall mean any person, individual, corporation, partnership, trust or other nongovernmental entity or any governmental agency, court, authority or other body (whether foreign, federal, state, local or otherwise).

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(u) "Piggyback Market Cut-Back" has the meaning set forth in Section 4.3(c).

(v) "Piggyback Registrable Securities" has the meaning set forth in Section 4.3(a).

(w) "Piggyback Registration Statement" has the meaning set forth in Section 4.3(a).

(x) "Piggyback Request" has the meaning set forth in Section 4.3(a).

(y) "Piggyback Underwriting Agreement" has the meaning set forth in Section 4.3(b).

(z) "Qualified Subsidiary" shall mean a corporation or other Person, at least 90% of the outstanding Voting Securities of which are owned, directly or indirectly, by Parent.

(aa) "Register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

(bb) "Registrable Securities" means (i) (1) all the shares of Common Stock of Micron issued or issuable upon conversion, exchange or exercise of the Rights or any Additional Adjustment Rights (as defined in the Securities Purchase Agreement), and (2) any shares of Common Stock of Micron issued as (or issuable upon the conversion, exchange or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, any such securities described in clause (1) of this subsection (bb). Notwithstanding the foregoing, Registrable Securities shall exclude any Registrable Securities sold by a Person in a transaction in which rights under Section 4 hereof are not assigned in accordance with this Agreement or any Registrable Securities sold in a public offering, whether sold

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pursuant to Rule 144 promulgated under the Securities Act, in a registered offering, or otherwise.

(cc) "Registration Expenses" has the meaning set forth in Section 4.5(a).

(dd) "Restricted Securities" has the meaning set forth in Section 3.2(a).

(ee) "Rights" has the meaning set forth in paragraph A of the recitals hereto.

(ff) "SEC" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(gg) "Securities Act" means the Securities Act of 1933, as amended.

(hh) "Securities Purchase Agreement" has the meaning set forth in paragraph A of the recitals hereto.

(ii) "Shares" means the shares of Common Stock of Micron issued or issuable upon exercise, exchange or conversion of the Rights or Additional Adjustment Rights pursuant to the Securities Purchase Agreement and the Business Agreement.

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(jj) "Shelf Registrable Securities" has the meaning set forth in Section 4.2(a).

(kk) "Shelf Registration Statement" has the meaning set forth in Section 4.2(a).

(ll) "Shelf Request" has the meaning set forth in Section 4.2(a).

(mm) "Stock Rights Agreement" has the meaning set forth in paragraph A of the recitals hereto.

(nn) "Suspension Condition" has the meaning set forth in Section 4.4(f).

(oo) "Tranche Registrable Securities" has the meaning set forth in Section 4.2(b).

(pp) "Tranche Request" has the meaning set forth in Section 4.2(b).

(qq) "Transaction Related Securities" means (i) Shares, (ii) the Rights, (iii) the Additional Adjustment Rights, and (iv) shares of Common Stock and other securities of Micron issued as (or issuable upon conversion, exchange or exercise of any warrant, right or other security as) a dividend or other distribution with respect to or in exchange for or in replacement of, or upon conversion, exchange or exercise of any such securities.

(rr) "Voting Power" or "Total Voting Power" of Micron (or any other corporation) refer to the votes or total number of votes which at the time of calculation may be cast in the

election of directors of Micron (or such corporation) at any meeting of stockholders of Micron (or such corporation) if all securities entitled to vote in the election of directors of Micron (or such corporation) were present and voted at such meeting; provided that for purposes of references herein made to any Person's "Voting Power" or percentage beneficial ownership of "Total Voting Power," any rights (other than rights referred to in any rights plan of Micron (or any such other corporation) or a successor to such rights plan so long as such rights can only be transferred together with the Voting Securities to which they attach) of such Person to acquire Voting Securities (whether or not the exercise, exchange or conversion of any such right shall be conditioned upon the passage of time or any other contingency) shall be deemed to have been exercised, exchanged or converted in full.

(ss) "Voting Securities" means (i) all securities of Micron, entitled in the ordinary course, to vote in the election of directors of Micron and (ii) for the purposes of this Agreement only, all securities of Micron, directly or indirectly, convertible into or exchangeable or exercisable for shares of Common Stock (including the Rights and any Additional Adjustment Rights), the Voting Power of which shall be deemed equal to the number of shares of Common Stock, directly or indirectly, issuable upon the conversion, exchange or exercise of such securities. Voting Securities shall not include stockholder rights or other comparable securities having Voting Power only upon the happening of a trigger event or comparable contingency and which can only be transferred together with the Voting Securities to which they attach. References herein to meetings of holders of Voting Securities shall include meetings of any class or type thereof.

(tt) "180-Day Limitation" has the meaning set forth in Section 4.4(a).

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All capitalized terms used and not defined herein shall have the respective meanings assigned to such terms in the Securities Purchase Agreement.

SECTION 2 STANDSTILL AND RELATED COVENANTS

2.1 Intel Capital Ownership of Micron Securities. On the date hereof, and without giving effect to the transactions contemplated by the Securities Purchase Agreement, neither Intel Capital nor any Affiliate of Intel Capital beneficially owns any Voting Securities of Micron, other than Voting Securities held in equity index funds or by employee benefit plans or pension plans.

2.2 Standstill Provisions.

(a) Intel Capital shall not acquire, directly or indirectly, and shall not cause or permit any Affiliate of Intel Capital to acquire, directly or indirectly (through market purchases or otherwise), record or beneficial ownership of any Voting Securities of Micron representing, when taken together with all securities owned by such Persons, in excess of a percentage greater than nineteen and ninety nine hundredths (19.99%) (the "Standstill Percentage") of the Total Voting Power

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of Micron without the prior written consent or approval of Micron's Board of Directors; provided, however, that the prior written consent or approval of the Board of Directors of Micron shall not be required for the acquisition of any Voting Securities of Micron pursuant to the conversion, exchange or exercise of any of the Rights or any of the Additional Adjustment Rights or resulting from a stock split, stock dividend or similar recapitalization by Micron or resulting from any issuance to Intel Capital of Common Stock or other securities of Micron pursuant to the terms and conditions of the Business Agreement. Nothing contained in this Section 2.2 shall adversely affect any right of Intel Capital to acquire record or beneficial ownership of Voting Securities of Micron pursuant to any rights plan instituted by Micron. Ownership of Voting Securities by employee benefit plans or pension plans shall not be beneficial ownership by Intel Capital for purposes of this Section 2.2.

(b) Intel Capital and its Affiliates will not be obliged to dispose of any Voting Securities to the extent that the aggregate percentage of the Total Voting Power of Micron represented by Voting Securities beneficially owned by Intel Capital and its Affiliates or which Intel Capital and its Affiliates has a right to acquire is increased beyond the Standstill Percentage (i) as a result of a recapitalization of Micron or a repurchase or exchange of securities by Micron or its Affiliates; (ii) as a result of any issuance to Intel Capital of Common Stock or other securities of Micron pursuant to the terms and conditions of the Business Agreement; (iii) as a result of an equity index transaction, provided that Intel Capital and its Affiliates shall not vote such shares; (iv) by way of stock dividends or other distributions or rights or offerings made available to holders of shares of Voting Securities generally; or (v) with the prior written consent or approval of Micron's Board of Directors.

2.3 Voting Trust. Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to, deposit any Voting Securities of Micron in a voting trust or, except as otherwise provided herein, subject any Voting Securities of Micron to any arrangement or agreement with respect to the voting of such Voting Securities of Micron.

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2.4 Solicitation of Proxies. Without the prior written consent or approval of Micron's Board of Directors, Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to, directly or indirectly (i) initiate, propose or otherwise solicit Micron stockholders for the approval of one or more stockholder proposals with respect to Micron or induce or attempt to induce any other Person to initiate any stockholder proposal, (ii) make, or in any way participate in, any "solicitation" of "proxies" (as such terms are defined or used in Rule 14a-1 under the Exchange Act) with respect to any Voting Securities of Micron, or become a "participant" in any "election contest" (as such terms are used in the proxy rules of the SEC), with respect to Micron or (iii) call or seek to have called any meeting of the holders of Voting Securities of Micron.

2.5 Acts in Concert with Others. Except as contemplated herein, Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to, participate in the formation of any Person which owns or seeks to acquire beneficial ownership

of, or otherwise acts in concert in respect of the voting or disposition of, Voting Securities of Micron. Without limiting the generality of the foregoing, and except as contemplated herein, Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to: (i) join a partnership, limited partnership, syndicate or other group, or otherwise act in concert with any third person, for the purpose of acquiring, holding, or disposing of Voting Securities of Micron; (ii) seek election to or seek to place a representative on the Board of Directors of Micron; (iii) seek the removal of any member of the Board of Directors of Micron; (iv) otherwise seek control of the management, Board of Directors or policies of Micron; (v) solicit, propose or seek to effect any form of business combination transaction with Micron or any Affiliate thereof, or any restructuring, recapitalization or similar transaction with respect to Micron or any Affiliate thereof; (vi) solicit, make or propose or announce an intent to make, any tender offer or exchange offer for any Voting Securities of Micron; (vii) disclose an intent, purpose, plan or proposal with respect to Micron or any Voting Securities of Micron inconsistent with the provisions of this Agreement, including an intent, purpose, plan or proposal that is conditioned on or would require Micron to waive the benefit of or amend any provision of this Agreement; or (viii) assist, participate in, or solicit any effort or attempt by any Person to do or seek to do any of the foregoing. Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to, make any recommendation or proposal to any Person to engage in any of the actions covered by Section 2.4 hereof and this Section 2.5.

2.6 Termination. The provisions of this Section 2 shall terminate upon the earlier to occur of: (i) such time as Intel Capital (together with all Affiliates of Intel Capital) beneficially owns in the aggregate Voting Securities of Micron representing less than three percent (3%) of the Total Voting Power of Micron, or (ii) the closing or other completion of a Change in Control of Micron.

SECTION 3
RESTRICTIONS ON TRANSFER OF
SECURITIES; COMPLIANCE WITH SECURITIES LAWS

3.1 Restrictions on Transfer of Voting Securities of Micron. Intel Capital shall not, and shall not cause or permit any Affiliate of Intel Capital to, directly or indirectly, offer to sell, contract to sell, make any short sale of, or otherwise sell, dispose of, loan, gift, pledge or grant

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any options or rights with respect to, any Transaction Related Securities of Micron, now or hereafter acquired, or with respect to which Intel Capital (or any Affiliate of Intel Capital) has or hereafter acquires the power of disposition (or enter into any agreement or understanding with respect to the foregoing), except as set forth in the following clauses (a) through (g):

(a) to Micron, or any Person or group approved in writing in advance by Micron's Board of Directors;

(b) to any Qualified Subsidiary or Intel Corporation, a Delaware corporation ("Parent"), so long as such subsidiary or

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Parent agrees in writing (in form reasonably acceptable to counsel for Micron) to hold such Voting Securities of Micron subject to all the provisions of this Agreement, and also agrees to transfer such Voting Securities of Micron to Intel Capital or another Qualified Subsidiary of Parent or to Parent if it ceases to be a Qualified Subsidiary of Parent;

(c) pursuant to a public offering of Voting Securities of Micron registered under the Securities Act; provided, however, that such offering is structured to distribute such securities in accordance with procedures reasonably designed to ensure that beneficial ownership of the Voting Securities of Micron with aggregate Voting Power of more than five percent (5%) of the Total Voting Power of Micron then in effect shall not be transferred during such distribution to any single Person or group, unless such Person or group is an institutional investor that acquires such Voting Securities solely for investment;

(d) through a sale of Voting Securities of Micron pursuant to Rule 144 under the Securities Act; provided, however, that any such sale (i) complies with the manner of sale provisions under paragraph (f) of Rule 144 or (ii) is of securities with Voting Power aggregating less than five percent (5%) of the Total Voting Power of Micron and is not made knowingly directly or indirectly to: (A) any Person or group which has theretofore filed a Schedule 13D with the SEC with respect to any class of "equity security" (as defined in Rule 13a11-1 under the Exchange Act) of Micron and which, at the time of such sale, continues to reflect beneficial ownership in excess of five percent (5%) of the Total Voting Power of Micron, unless such Person or group is an institutional investor that acquires such Voting Securities solely for investment; (B) any Person or group known to Intel Capital (without inquiry or investigation) to beneficially own in excess of five percent (5%) of any Voting Securities of Micron or to be accumulating stock on behalf of or acting in concert with any such Person or group or a Person or group contemplated by clause (A) above, unless such Person or group is an institutional investor that acquires such Voting Securities solely for investment; or (C) any Person or group that has announced or commenced an unsolicited offer for any Voting Securities of Micron or publicly initiated, proposed or otherwise solicited Micron stockholders for the approval of one or more stockholder proposals with respect to Micron or publicly made, or in any way participated in, any "solicitation" of "proxies" (as such terms are defined or used in Regulation 14A under the Exchange Act) with respect to any Voting Securities of Micron, or become a "participant" in any "election contest" (as such terms are used in the proxy rules of the SEC);

(e) pursuant to any private sale of Voting Securities of Micron exempt from the registration requirements under the Securities Act, provided that no such sale may be made to

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any Person or group which, after giving effect to such sale, will beneficially own or have the right to acquire Voting Securities of Micron with aggregate Voting Power of more than five percent (5%) of the Total Voting Power of Micron unless such Person or group is an institutional investor that acquires such Voting Securities solely for investment, in which case the total number of Voting Securities that may be sold to such Person or group

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shall be limited so that such Person or group shall not own or have the right to acquire more than ten percent (10%) of the Total Voting Power of Micron after giving effect to the proposed sale; and, provided, further, that, if such securities are "restricted securities" as defined in Rule 144, any such purchaser (and any transferee of such purchaser) shall agree to take and hold such securities subject to the provisions and upon the conditions specified in this Section 3, and it will be a condition precedent to the effectiveness of any such transfer that Intel Capital shall have delivered to Micron a written agreement of such purchaser to that effect in form and substance reasonably satisfactory to Micron (which may contain a representation by such purchaser as to the beneficial ownership of Voting Securities of Micron, which may be relied upon by Intel Capital (absent actual knowledge to the contrary) for purposes of compliance with the applicable requirements of this Section 3.1(e));

(f) in response to an offer to purchase or exchange for cash or other consideration any Voting Securities, in any case which is not opposed by the Board of Directors of Micron within the time such Board is required, pursuant to regulations under the Exchange Act, to advise the stockholders of Micron of such Board's position with respect to such offer, or, if no such regulations are applicable, within ten (10) business days of the commencement of such offer, or pursuant to a merger, consolidation or other business combination involving Micron approved by the Board of Directors of Micron; or

(g) subject to Micron's prior consent (which shall not be unreasonably withheld), pursuant to bona fide pledges of such Voting Securities to institutional lenders (provided that the number of such lenders to which, or for the benefit of which, such pledges may be made, shall not exceed twenty (20) in the aggregate), to secure a loan, guarantee, letter of credit facility or other indebtedness or financial support; provided that each such lender to which, or for the benefit of which, such pledge is made agrees in writing to hold such Voting Securities subject to all provisions of this Agreement, including the limitations on any sale or other disposition of such Voting Securities.

Subject to Section 4.10 of the Securities Purchase Agreement, nothing in this Section 3.1 shall be construed to prohibit Hedging Transactions with respect to securities of Micron provided that such transactions do not result in non-compliance with the foregoing restrictions insofar such provisions relate to, and are limited in their application to, the Transaction Related Securities.

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3.2 Restrictive Legends.

(a) The certificate or certificates representing the (i) the Shares, (ii) the Rights, including any Additional Adjustment Rights, and (iii) any securities issued in respect of the foregoing as a result of any stock split, stock dividend, recapitalization, reclassification or similar transaction (collectively, the "Restricted Securities") shall be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required under applicable state

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securities laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER AS TO THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION.

(b) The certificate or certificates representing the Restricted Securities also shall be stamped or otherwise imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, INCLUDING ANY SALE, PLEDGE OR OTHER HYPOTHECATION, SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND INTEL CAPITAL CORPORATION, A COPY OF WHICH AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

(c) The certificate or certificates representing the Rights and any Additional Adjustment Rights also shall be stamped or otherwise imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO PROVISIONS OF THE STOCK RIGHTS AGREEMENT WHICH CONTAINS CERTAIN RESTRICTIONS ON TRANSFER AND OTHER RIGHTS AND OBLIGATIONS. COPIES OF THE STOCK RIGHTS AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

3.3 Procedures for Certain Transfers.

(a) The holder of each certificate representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 3.

(b) Prior to any proposed transfer of any Restricted Securities pursuant to Sections 3.1(a), (b), (e) and (g) hereof, Intel Capital shall give written notice to Micron of its intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer in sufficient detail, and shall be accompanied by either: (i) a written

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opinion of legal counsel (including in house counsel), who shall be reasonably satisfactory to Micron, addressed to Micron and reasonably satisfactory in form and substance to Micron's counsel, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Securities Act; or (ii) a "no action" letter from the SEC and a copy of any request by Intel Capital (together with all supplements or amendments thereto), which shall have been provided to Micron at or prior to the time of first delivery to the SEC's staff, to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the SEC that action be taken with

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respect thereto, whereupon Micron shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by Intel Capital to Micron.

(c) In connection with any proposed transfer of Restricted Securities pursuant to Section 3.1(d) hereof, Intel Capital shall comply with all applicable requirements of Rule 144 under the Securities Act and the reasonable requirements of Micron's transfer agent with respect to sales of Restricted Securities pursuant to Rule 144.

(d) Each certificate evidencing the Restricted Securities transferred as herein provided (other than a transfer pursuant to Section 3.1(c)) shall bear the appropriate restrictive legend set forth in Section 3.3(a) above, except that such certificate shall not bear such restrictive legend if: (i) in the opinion of counsel for Micron, such legend is not required in order to establish compliance with any provisions of the Securities Act; (ii) the Restricted Securities have been held by the holder for more than two years, and the holder represents to counsel for Micron that it has not been an "affiliate" (as such term is defined for purposes of Rule 144) of Micron during the three-month period prior to the sale and shall not become an affiliate (as such term is defined for purposes of Rule 144) of Micron without resubmitting the Restricted Securities for reimposition of the legend; (iii) the Restricted Securities have been sold pursuant to Rule 144 and in compliance with Section 3.1(d). In addition, each certificate evidencing the Restricted Securities transferred pursuant to this Section 3 (other than transfers pursuant to Sections 3.1(c) and 3.1(d)) hereof shall bear the legend set forth in Section 3.2(b) above.

3.4 Covenant Regarding Exchange Act Filings. With a view to making available to Intel Capital the benefits of Rule 144 promulgated under the Securities Act, and any other rules or regulations of the SEC which may at any time permit Intel Capital to sell any Restricted Securities without registration, until the date of termination of this Agreement, Micron agrees to use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required to be filed under the Exchange Act.

3.5 Termination. The provisions of this Section 3 (other than Sections 3.2 and 3.3) shall terminate upon the later to occur of: (i) the fifth anniversary date of this Agreement and (ii) such time as Intel Capital (together with all Affiliates of Intel Capital) beneficially owns in the aggregate Voting Securities of Micron representing less than five percent (5%) of the Total Voting Power of Micron or upon the closing or other completion of a Change in Control of Micron.

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SECTION 4 REGISTRATION RIGHTS

4.1 Demand Registration.

(a) If at any time after ninety (90) days after the date hereof, Micron shall receive from Intel Capital a written request (a "Demand Request") that Micron register on Form S-3 under the Securities Act (or if such form is not available, any

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registration statement form then available to Micron) Registrable Securities equal to at least the lesser of two percent (2%) of the Voting Securities outstanding on the date of such Demand Request and securities having an aggregate market value of \$100 million or more on such date, then Micron shall use commercially reasonable efforts to cause the Registrable Securities specified in such Demand Request (the "Demand Registrable Securities") to be registered as soon as reasonably practicable so as to permit the offering and sale thereof and, in connection therewith, shall prepare and file with the SEC as soon as practicable after receipt of such Demand Request, a registration statement (a "Demand Registration Statement") to effect such registration, and to obtain any desired acceleration of the effective date of such Demand Registration Statement; provided, however, that each such Demand Request shall: (i) specify the number of Demand Registrable Securities intended to be offered and sold by Intel Capital pursuant thereto (which number of Demand Registrable Securities shall not be less than the lesser of two percent (2%) of the Voting Securities outstanding on the date of such Demand Request and securities having an aggregate market value in excess of \$100 million on such date); (ii) express the present intention of Intel Capital to offer or cause the offering of such Demand Registrable Securities pursuant to such Demand Registration Statement, (iii) describe the nature or method of distribution of such Demand Registrable Securities pursuant to such Demand Registration Statement (including, in particular, whether Intel Capital plans to effect such distribution by means of an underwritten offering or other method); and (iv) contain the undertaking of Intel Capital to provide all such information and materials and take all such actions as may be required in order to permit Micron to comply with all applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC thereunder.

(b) The procedures to be followed by Micron and Intel Capital, and the respective rights and obligations of Micron and Intel Capital, with respect to the preparation, filing and effectiveness of Demand Registration Statements and the distribution of Demand Registrable Securities pursuant to Demand Registration Statements under this Section 4.1 are set forth in Section 4.4 hereof.

4.2 Shelf Registration.

(a) If at any time after ninety (90) days after the date hereof, Micron shall receive from Intel Capital a written request (a "Shelf Request") that Micron register pursuant to Rule 415(a)(1)(i) under the Securities Act (or any successor rule with similar effect) a delayed offering of all Registrable Securities held by Intel Capital, then Micron shall use commercially reasonable efforts to cause the Registrable Securities specified in such Shelf Request (the "Shelf Registrable Securities") to be registered as soon as reasonably practicable so as to permit the sale thereof and, in connection therewith, shall (i) prepare and file with the SEC as soon as practicable after receipt of such Shelf Request, a shelf registration statement on Form S-3

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relating to such Shelf Registrable Securities, if such Form S-3 is available for use by Micron (or any successor form of registration statement to such Form S-3), to effect such

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registration (a "Shelf Registration Statement"), to enable the distribution of such Shelf Registrable Securities, and to obtain any desired acceleration of the effective date of such Shelf Registration Statement; provided, however, that each such Shelf Request shall: (i) express the intention of Intel Capital to offer or cause the offering of such Shelf Registrable Securities pursuant to such Shelf Registration Statement on a delayed basis in the future; (ii) describe the nature or method of the proposed offer and sale of such Shelf Registrable Securities pursuant to such Shelf Registration Statement (including, in particular, whether Intel Capital plans to effect such distribution by means of an underwritten offering or other method); and (iii) contain the undertaking of Intel Capital to provide all such information and materials and take all such actions as may be required in order to permit Micron to comply with all applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC thereunder. Intel Capital shall not be entitled to make more than one Shelf Request during any three hundred sixty-five (365) day period.

(b) It is expressly agreed by the parties that the sole purpose of Micron filing and maintaining an effective a Shelf Registration Statement for the delayed offering of Shelf Registrable Securities by Intel Capital is to make the process of distributing Registrable Securities by Intel Capital more convenient for both parties by reducing or eliminating the need to file a new Demand Registration Statement each time that Intel Capital decides to sell Registrable Securities. After a Shelf Registration Statement has been declared effective under the Securities Act by the SEC, then, upon the written request of Intel Capital (a "Tranche Request"), Micron shall prepare such amendments to such Shelf Registration Statement (including post-effective amendments), if any, and such amendments or supplements to the prospectus relating to the Registrable Securities to be offered thereunder pursuant to such Tranche Request (the "Tranche Registrable Securities"), as is necessary to facilitate the distribution of such Tranche Registrable Securities pursuant to such Tranche Request; provided, however, that such Tranche Request shall: (i) specify the number of Tranche Registrable Securities intended to be offered and sold by Intel Capital pursuant thereto (which number of Tranche Registrable Securities shall not be less than the lesser of two percent (2%) of the Voting Securities outstanding on the date of such Tranche Request and securities having an aggregate market value in excess of \$100 million on such date); (ii) express the present intention of Intel Capital to offer or cause the offering of such Tranche Registrable Securities pursuant to the Shelf Registration Statement, (iii) describe the nature or method of distribution of such Tranche Registrable Securities pursuant to the Shelf Registration Statement (including, in particular, whether Intel Capital plans to effect such distribution by means of an underwritten offering or other method); and (iv) contain the undertaking of Intel Capital to provide all such information and materials and take all such actions as may be required in order to permit Micron to comply with all applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC thereunder.

(c) The procedures to be followed by Micron and Intel Capital, and the respective rights and obligations of Micron and Intel Capital, with respect to the preparation, filing and effectiveness of Shelf Registration Statements and the

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distribution of Tranche Registrable Securities pursuant to Shelf Registration Statements under this Section 4.2 are set forth in Section 4.4 hereof.

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4.3 Piggyback Registration.

(a) If at any time after ninety (90) days after the date hereof, Micron shall determine to register any of its equity or equity-linked securities (other than registration statements relating to (i) employee, consultant or distributor compensation or incentive arrangements (including employee benefit plans), (ii) acquisitions or any transaction or transactions under Rule 145 under the Securities Act (or any successor rule with similar effect), (iii) distributions by principal stockholders, their Affiliates or transferees (unless consented to by such principal stockholders, Affiliates or transferees), or (iv) pursuant to Rule 415 under the Securities Act), then Micron will promptly give Intel Capital written notice thereof and include in such Micron-initiated, non-shelf, registration statement (a "Piggyback Registration Statement"), and in any underwriting involved therein, all Registrable Securities (the "Piggyback Registrable Securities") specified in a written request made by Intel Capital (a "Piggyback Request") within five (5) business days after receipt of such written notice from Micron; provided, however, that nothing in this Section 4.3(a), or any other provision of this Agreement, shall be construed to limit the absolute right of Micron, for any reason