

As filed with the Securities and Exchange Commission on December 11, 2000

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
Under
The Securities Act of 1933

BROADCOM CORPORATION
(Exact name of registrant as specified in its charter)

CALIFORNIA
(State or other jurisdiction
of incorporation or organization)

33-0480482
(IRS Employer
Identification No.)

16215 ALTON PARKWAY, IRVINE, CALIFORNIA 92618
(Address of principal executive offices) (Zip Code)

ELEMENT 14, INC. UNAPPROVED SHARE OPTION SCHEME
(AS ASSUMED BY BROADCOM CORPORATION)
(Full title of the Plans)

DAVID A. DULL, ESQ.
VICE PRESIDENT OF BUSINESS AFFAIRS, GENERAL COUNSEL AND SECRETARY
BROADCOM CORPORATION
16215 ALTON PARKWAY, IRVINE, CALIFORNIA 92618
(Name and address of agent for service)
(949) 585-5604
(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

| TITLE OF SECURITIES TO BE REGISTERED | AMOUNT TO BE REGISTERED(1) | PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2) | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2) | AMOUNT OF REGISTRATION FEE |
|---|----------------------------------|--|--|-------------------------------|
| Element 14, Inc. Unapproved Share Option Scheme Class A Common Stock, \$.0001 par value | 932,361 shares | \$23.28 | \$21,705,364.08 | \$5,730.22 |
| Total | | | \$21,705,364.08 | \$5,730.22 |

- (1) This Registration Statement shall also cover any additional shares of Broadcom's Class A Common Stock which become issuable under the Element 14, Inc. Unapproved Share Option Scheme (as assumed by Broadcom Corporation) by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without Broadcom's receipt of consideration which results in an increase in the number of Broadcom's outstanding shares of Class A Common Stock.
- (2) Calculated solely for the purpose of this offering under Rule 457(h) of the Securities Act of 1933, as amended (the "Securities Act") on the basis of the weighted average exercise price of the outstanding options.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

Broadcom Corporation hereby incorporates by reference into this Registration Statement the following documents previously filed with the Securities and Exchange Commission:

- (a) Broadcom's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, filed with the SEC on March 30, 2000;
- (b) Broadcom's Quarterly Reports on Form 10-Q for the fiscal quarter ended March 31, 2000, filed with the SEC on May 15, 2000; the fiscal quarter ended June 30, 2000, filed with the SEC on August 14, 2000; and the fiscal quarter ended September 30, 2000, filed with the SEC on November 14, 2000;
- (c) Broadcom's Current Reports on Form 8-K filed with the SEC on February 1, 2000; February 29, 2000; March 6, 2000; March 24, 2000; June 2, 2000; June 14, 2000; June 30, 2000; July 21, 2000; August 2, 2000; August 4, 2000; August 9, 2000; August 16, 2000; September 22, 2000; October 11, 2000; October 18, 2000; October 19, 2000; October 23, 2000; November 7, 2000; November 22, 2000; November 28, 2000; and November 30, 2000; and its Current Reports on Form 8-K/A filed with the SEC on July 10, 2000; October 2, 2000; November 9, 2000; and November 13, 2000; and
- (d) Broadcom's Registration Statement No. 000-23993 on Form 8-A filed with SEC on April 6, 1998, including any other amendments or reports filed for the purpose of updating such description, in which there is described the terms, rights and provisions applicable to Broadcom's Class A Common Stock.

All reports and definitive proxy or information statements filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which de-registers all securities then remaining unsold shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities

Not applicable.

Item 5. Interests of Named Experts and Counsel

Not applicable.

Item 6. Indemnification of Directors and Officers

Broadcom's Articles of Incorporation limit the personal liability of its directors for monetary damages to the fullest extent permitted by the California General Corporation Law (the "California Law"). Under the California Law, a director's liability to a company or its shareholders may not be limited with respect to the following items: (i) acts or omissions that involve intentional misconduct or a knowing and culpable violation of law, (ii) acts or omissions that a director believes to be contrary to the best interests of the company or its shareholders or that involve the absence of good faith on the part of the director, (iii) any transaction from which a director derived an improper personal benefit, (iv) acts or omissions that show a reckless disregard for the director's duty to the company or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director's duties, of a risk of a serious injury to the company or its shareholders, (v) acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the company or its shareholders, (vi) contracts or transactions between the company and a director within the scope of Section 310 of the California Law or (vii) improper dividends, loans and guarantees under Section 316 of the California Law. The limitation of liability does not affect the availability of injunctions and other equitable remedies available to Broadcom's shareholders for any violation by a director of the director's fiduciary duty to Broadcom or its shareholders.

Broadcom's Articles of Incorporation also include an authorization for Broadcom to indemnify its "agents" (as defined in Section 317 of the California Law) through bylaw provisions, by agreement or otherwise, to the fullest extent permitted by law. Pursuant to this provision, Broadcom's Bylaws provide for indemnification of Broadcom's directors, officers and employees. In addition, Broadcom may, at its discretion, provide indemnification to persons whom Broadcom is not obligated to indemnify. The Bylaws also allow Broadcom to enter into indemnity agreements with individual directors, officers, employees and other agents. These indemnity agreements have been entered into with all directors and executive officers and provide the maximum indemnification permitted by law. These agreements, together with Broadcom's Bylaws and Articles of Incorporation, may require Broadcom, among other things, to indemnify these directors or executive officers (other than for liability resulting from willful misconduct of a culpable nature), to advance expenses to them as they are incurred, provided that they undertake to repay the amount advanced if it is ultimately determined by a court that they are not entitled to indemnification, and to obtain directors' and officers' insurance if available on reasonable terms. Section 317 of the California Law and Broadcom's Bylaws make provision for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons, under certain circumstances, for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

Item 7. Exemption from Registration Claimed

Not Applicable.

Item 8. Exhibits

| Exhibit Number ----- | Exhibit ----- |
|----------------------------|--|
| 4.1 | Instruments Defining the Rights of Stockholders. Reference is made to Broadcom's Registration Statement No. 000-23993 on Form 8-A, together with the amendments and exhibits thereto, which is incorporated herein by reference pursuant to Item 3(d). |
| 5.1 | Opinion and consent of Brobeck, Phleger & Harrison LLP. |
| 23.1 | Consent of Ernst & Young LLP, Independent Auditors. |
| 23.2 | Consent of Brobeck, Phleger & Harrison LLP is contained in Exhibit 5.1. |
| 24.1 | Power of Attorney. Reference is made to page II-4 of this Registration Statement. |
| 99.1 | Element 14, Inc. Unapproved Share Option Scheme. |
| 99.2 | Form of Grant Notice, Option Certificate and Notice of Exercise of Option for Element 14, Inc. Unapproved Share Option Scheme. |
| 99.3 | Form of Stock Option Assumption Agreement--Element 14, Inc. Unapproved Share Option Scheme. |

Item 9. Undertakings

A. The undersigned registrant hereby undertakes: (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act, (ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement and (iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that clauses (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference into this Registration Statement; (2) that, for the purpose of determining any liability under the Securities Act each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the Element 14, Inc. Unapproved Share Option Scheme.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference into this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the indemnification provisions summarized in Item 6 above, or otherwise, the registrant has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8, and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Irvine, California, on this 11th day of December, 2000.

BROADCOM CORPORATION

By: /s/ HENRY T. NICHOLAS III

Henry T. Nicholas III, Ph.D.
President, Chief Executive
Officer and Co-Chairman

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned officers and directors of Broadcom Corporation, a California corporation, do hereby constitute and appoint Henry T. Nicholas III and Henry Samuelli and each of them, their lawful attorneys-in-fact and agents with full power and authority to do any and all acts and things and to execute any and all instruments which said attorneys and agents, and any one of them, determine may be necessary or advisable or required to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules or regulations or requirements of the Securities and Exchange Commission in connection with this Registration Statement. Without limiting the generality of the foregoing power and authority, the powers granted include the power and authority to sign the names of the undersigned officers and directors in the capacities indicated below to this Registration Statement, to any and all amendments, both pre-effective and post-effective, and supplements to this Registration Statement, and to any and all instruments or documents filed as part of or in conjunction with this Registration Statement or amendments or supplements thereof, and each of the undersigned hereby ratifies and confirms that all said attorneys and agents, or any one of them, shall do or cause to be done by virtue hereof. This Power of Attorney may be signed in several counterparts.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney as of the date indicated. Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

| SIGNATURE ----- | TITLE ----- | DATE ----- |
|--|--|-------------------|
| /s/ HENRY T. NICHOLAS III ----- Henry T. Nicholas III, Ph.D. | President, Chief Executive Officer and Co-Chairman (Principal Executive Officer) | December 11, 2000 |
| /s/ HENRY SAMUELI ----- Henry Samuelli, Ph.D. | Vice President of Research & Development, Chief Technical Officer and Co-Chairman | December 11, 2000 |
| /s/ WILLIAM J. RUEHLE ----- William J. Ruehle | Vice President and Chief Financial Officer (Principal Financial Officer) | December 11, 2000 |
| /s/ SCOTT J. POTERACKI ----- Scott J. Poteracki | Corporate Controller and Senior Director of Finance (Principal Accounting Officer) | December 11, 2000 |
| /s/ ALAN E. ROSS ----- Alan E. Ross | Director | December 11, 2000 |
| /s/ MYRON S. EICHEN ----- Myron S. Eichen | Director | December 11, 2000 |
| /s/ WERNER F. WOLFEN ----- Werner F. Wolfen | Director | December 11, 2000 |

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS

TO

FORM S-8

UNDER

SECURITIES ACT OF 1933

BROADCOM CORPORATION

EXHIBIT INDEX

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| 5.1 | Opinion and consent of Brobeck, Phleger & Harrison LLP. |
| 23.1 | Consent of Ernst & Young LLP, Independent Auditors. |
| 23.2 | Consent of Brobeck, Phleger & Harrison LLP is contained in Exhibit 5.1. |
| 24.1 | Power of Attorney. Reference is made to page II-4 of this Registration Statement. |
| 99.1 | Element 14, Inc. Unapproved Share Option Scheme. |
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| 99.3 | Form of Stock Option Assumption Agreement--Element 14, Inc. Unapproved Share Option Scheme. |

OPINION AND CONSENT OF BROBECK, PHLEGER & HARRISON LLP

December 11, 2000

Broadcom Corporation
16215 Alton Parkway
Irvine, California 92618

Re: Broadcom Corporation Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as counsel to Broadcom Corporation, a California corporation (the "Company") in connection with the registration on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended, of an aggregate of 932,361 shares of the Company's Class A Common Stock (the "Shares") and related stock options under the Element 14, Inc. Unapproved Share Option Scheme (the "Plan").

This opinion is being furnished in accordance with the requirements of Item 8 of Form S-8 and Item 601(b)(5)(i) of Regulation S-K.

We have reviewed the Company's charter documents and the corporate proceedings taken by the Company in connection with the assumption of the Plans and the options outstanding thereunder. Based on such review, we are of the opinion that if, as and when the Shares are issued and sold (and the consideration therefor received) pursuant to the provisions of option agreements duly authorized under the Plan and in accordance with the Registration Statement, such Shares will be duly authorized, legally issued, fully paid and nonassessable.

We consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act, the rules and regulations of the Securities and Exchange Commission promulgated thereunder, or Item 509 of Regulation S-K.

This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company or the Shares.

Very truly yours,

BROBECK, PHLEGER & HARRISON LLP

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) of Broadcom Corporation pertaining to the Element 14, Inc. Unapproved Share Option Scheme, of our report dated January 18, 2000 (except Note 2 as to which the date is May 31, 2000 and Notes 9 and 13, as to which the date is June 29, 2000), with respect to the consolidated financial statements and schedule of Broadcom Corporation included in its Current Report on Form 8-K/A filed with the Securities and Exchange Commission on July 10, 2000.

/s/ Ernst & Young LLP

Orange County, California
December 8, 2000

ELEMENT 14, INC.

RULES OF THE ELEMENT 14
UNAPPROVED SHARE OPTION SCHEME

BROBECK HALE AND DORR
LONDON

RULES OF THE ELEMENT 14
UNAPPROVED SHARE OPTION SCHEME

1. DEFINITIONS

1.1 In these Rules the following words and expressions shall have the following meanings:

"ACQUISITION PRICE" means the price at which each Share subject to an Option may be acquired on the exercise of that Option determined in accordance with Rule 2

"APPROPRIATE PERIOD" means six months after Control of the Company has passed in accordance with Rule 5

"AUDITORS" means the auditors for the time being of the Company (acting as experts and not as arbitrators)

"BOARD" means the Board of Directors of the Company or a duly authorised committee of the Board

"COMPANY" means Element 14, Inc. a Delaware Corporation with its principal place of business in the United Kingdom at Suite 210 The Quorum Barnwell Road Cambridge CB5 8RE and any successor corporation to all or substantially all of the assets or voting stock of Element 14, Inc. which shall by appropriate action adopt the Scheme

"COMMON STOCK" means the Company's common stock consisting of 25,000,000 Shares of Common Stock having a par value of \$0.001 per share

"CONTROL" has the same meaning as in section 840 of TA 1988

"CORPORATE TRANSACTIONS" means either of the following shareholder approved transactions to which the Company is a party:

- (i) a merger or consolidation in which shares possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding shares are transferred to a person or persons different from the persons holding those shares immediately prior to such transaction; or
- (ii) the sale transfer or other disposition of all or substantially all of the Company's assets in complete liquidation or dissolution of the Company

"DATE OF GRANT" means the date on which an Option is, was, or is to be granted under the Scheme

"ELIGIBLE EMPLOYEE" means any director employee or consultant of any Participating Company

"EXERCISE SCHEDULE" means the exercise schedule specified in the Grant Notice pursuant to which an Option is to become exercisable in a series of instalments over the Option Holder's period of service as an Eligible Employee

"GRANT NOTICE" means the notice of grant of an Option pursuant to which an Eligible Employee is notified of the terms of the Option in accordance with Rule 2

"MARKET VALUE" means the value per share of Common Stock on any relevant date as shall be determined in accordance with the following provisions:

- (i) If the Common Stock is at the time traded on the NASDAQ National Market, the Market Value shall be the mid-market closing price per share of Common Stock on the date in question, as the price is reported by the National Association of Securities Dealers on the NASDAQ National Market. If there is no mid-market closing price for the Common Stock on the date in question then the Market Value shall be the mid-market closing price on the last preceding date for which such quotation exists
- (ii) If the Common Stock is at the time listed on any Stock Exchange, the Market Value shall be the mid-market closing price per share of Common Stock on the date in question on the Stock Exchange

determined by the Board to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no mid-market closing price for the Common Stock on the date in question, then the Market Value shall be the mid-market closing price on the last preceding date for which such quotation exists

- (iii) If the Common Stock is at the time neither listed on any Stock Exchange nor traded on the NASDAQ National Market, then the Market Value shall be determined by the Board after taking into account such factors as the Board shall deem appropriate

"MISCONDUCT" means the commission of any act of fraud, embezzlement or dishonesty by the Option Holder, any unauthorised use or disclosure by the Option Holder of confidential information or trade secrets of the Company (or any Parent or Subsidiary), or any other intentional misconduct by the Option Holder adversely affecting the business or affairs of the Company (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not be deemed to be inclusive of all the acts or omissions which the Company (or any Parent or Subsidiary) may consider as grounds for the dismissal of the Option Holder or any other individual in the Service of the Company (or any Parent or Subsidiary).

"OPTION" means a right to acquire Shares granted (or to be granted) in accordance with the Rules of this Scheme

"OPTION HOLDER" means an individual to whom an Option has been granted or his or her personal representatives

"OPTION SHARES" means the number of Shares subject to the Option or specified in the Grant Notice

"PARENT" means any company (other than the Company) in an unbroken chain of companies ending with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total

combined voting power of all classes of stock in one of the other companies in such chain

"PARTICIPATING COMPANY" means the Company and any other company over which the Company has Control and which is for the time being nominated by the Board to be a Participating Company

"SCHEME" means the employee share option scheme constituted and governed by these rules as from time to time amended

"SERVICE" means the Option Holder's performance of services for the Company (or any Participating Company) in the capacity of an employee director or consultant

"SHARE" means a share in the Common Stock

"STOCK EXCHANGE" means the American Stock Exchange or the New York Stock Exchange

"SUBSIDIARY" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain

"SUBSISTING OPTION" means an Option which has neither lapsed nor been exercised

"TA 1988" means The Income and Corporation Taxes Act 1988

1.2 Where the context so admits the singular shall include the plural and vice versa

1.3 Any reference in the Scheme to any enactment includes a reference to the enactment as from time to time modified, extended or re-enacted.

2. GRANT OF OPTIONS

- 2.1 At any time or times determined by the Board after the adoption of this Scheme (but not later than the tenth anniversary of such adoption) the Board may in its absolute discretion select any number of individuals who may at the intended Date of Grant be Eligible Employees and resolve to grant them Options to acquire Shares in the Company. Each individual grant shall be set out in a Grant Notice substantially in the form annexed to these Rules (marked 'A').
- 2.2 Each Grant Notice shall specify
- 2.2.1 the maximum number of Shares over which that individual has been granted an Option, being determined at the absolute discretion of the Board;
 - 2.2.2 the Acquisition Price at which Shares may be acquired on the exercise of any Option. Subject to Rule 7, the Acquisition Price shall not be less than the Market Value of a Share on the day the Grant Notice was issued pursuant to Rule 2.1; and
 - 2.2.3 the Exercise Schedule setting out the Vesting of the Option.
- 2.3 As soon as possible after Options have been granted the Board shall issue an option certificate in respect of each Option substantially in the form annexed to these Rules.
- 2.4 No Option may be transferred assigned or charged and any purported transfer assignment or charge shall cause the Option to lapse forthwith. Each option certificate shall carry a statement to this effect.
- 2.5 It shall be a condition of participation in the Scheme that in the event of the dismissal of an Option Holder from being an Eligible Employee in circumstances which could give rise to a claim for wrongful or unfair dismissal

he or she shall not become entitled to any damages or any additional damages by reason of any alteration consequent thereupon of his or her rights or expectations under the Scheme.

3. EXERCISE OF OPTIONS

- 3.1 Save as provided in this Rule, no Option shall be capable of being exercised save to the extent that the dates of employment or service have been achieved in the relevant Exercise Schedule Provided that the Board may waive satisfaction of the dates in the Exercise Schedule in its sole discretion.
- 3.2 Subject to Rule 3.1 above and Rules 5 and 7 below any Option which has not lapsed may also be exercised in whole or in part at any time following the earliest of the following events:
- 3.2.1 the death of the Option Holder;
 - 3.2.2 the Option Holder ceasing to be an Eligible Employee by reason of injury or disability.
 - 3.2.3 the Option Holder ceasing to be an Eligible Employee for any reason other than dismissal on the grounds of Misconduct.
- 3.3 An Option shall lapse on the earliest of the following events:
- 3.3.1 nine years 360 days after the Date of Grant;
 - 3.3.2 the first anniversary of the Option Holder's death;
 - 3.3.3 twelve months after the occurrence of an event set out in Rule 3.2.2 above;
 - 3.3.4 upon the Option Holder ceasing to be an Eligible Employee in any circumstances other than Rules 3.2.1 or 3.2.2 provided that in the case set out in Rule 3.2.3 the Board shall be entitled to exercise its discretion by notice in writing to the Option Holder prior to such cessation, to determine that such Option shall lapse three months after such cessation;

3.3.5 on the effective date of a Corporate Transaction, provided that the Acquiring Company is required to convert all Options into equivalent options to acquire shares in the Acquiring Company, taking into account the relative Market Value of the shares of the Company and the Acquiring Company.

4. LIMIT ON GRANT

No Options shall be granted pursuant to Rule 2 if such grant would result in the aggregate of:

- 4.1 The number of Shares over which Subsisting Options have been granted under this Scheme;
- 4.2 The number of Shares which have been issued on the exercise of Options granted under this Scheme;
- 4.3 The number of Shares over which Subsisting Options have been granted under any other share option scheme during the period of ten years ending on the relevant Date of Grant; and
- 4.4 The number of Shares which have been issued pursuant to any other employee share scheme during the period of ten years ending on the relevant Date of Grant

exceeding 8,000,000 Shares then in issue.

5. TAKE-OVERS AND LIQUIDATIONS

- 5.1 Following a Corporate Transaction no Option granted under this Scheme shall accelerate and thereby become exercisable save to the extent required to comply with any service agreement or contract of employment of any Eligible Employee as at the date of adoption of these Rules in which case any Subsisting Option may be exercisable to the extent thereby permitted and/or be eligible for rollover into a New Option as provided in Rule 5.2
- 5.2 If as a result of a Corporate Transaction the Option Holder may, by agreement with that other company (the "ACQUIRING COMPANY"), within the Appropriate

Period, release each Subsisting Option (the "OLD OPTION") for an option (the "NEW OPTION") which satisfies the conditions that it

- (i) is over shares in the Acquiring Company or some other company;
- (ii) is a right to acquire such number of such shares as has on the effective date of such Corporate Transaction an aggregate Market Value equal to the aggregate Market Value of the shares subject to the Old Option on the said date;
- (iii) has an acquisition price per share such that the aggregate price payable on the complete exercise equals the aggregate price which would have been payable on complete exercise of the Old Option;
- (iv) is otherwise broadly similar in all its material terms to the Old Option;

the New Option shall, for all other purposes of this Scheme, be treated as having been acquired at the same time as the Old Option.

Where any New Options are granted pursuant to this Rule 5.2. Rules 2.4, 3, 4, 5, 6, 7, 8.1 and 8.3 to 8.6 shall, in relation to the New Options, be construed as if references to the Company and to the Shares were references to the Acquiring Company or, as the case may be, to the other company to whose shares the New Options relate, and to the shares in that other company, but references to Participating Company shall continue to be construed as if references to the Company were references to Element 14, Inc.

5.3 If the Company passes a resolution for dissolution liquidation or winding up, any Subsisting Option may be exercised within six months of the passing of the resolution.

5.4 The exercise of an Option pursuant to the preceding provisions of this Rule shall be subject to the provisions of Rule 7.

6. VARIATION OF SHARE CAPITAL

In the event of any variation to the Common Stock by way of any stock split, stock dividend, recapitalisation, combination of shares, exchange of shares or other change

affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, capitalisation or rights issue, consolidation, subdivision or reduction of capital or otherwise the number of Shares subject to any Option and the Acquisition Price for each of those Shares shall be adjusted in such manner as the Auditors confirm in writing to be fair and reasonable Provided that the aggregate amount payable on the exercise of an Option in full is not increased

7. MANNER OF EXERCISE OF OPTIONS

- 7.1 Save in accordance with Rules 3 and 5 (and in particular by the Option Holder's personal representatives in the case of Rule 3.2.1) no Option may be exercised by an individual at any time unless he or she is an Eligible Employee.
- 7.2 An Option shall be exercised by the Option Holder giving notice to the Company in writing substantially in the form annexed to these Rules (marked 'C') of the number of Shares in respect of which he or she wishes to exercise the Option accompanied by the appropriate payment and the relevant option certificate and shall be effective on the date of its receipt by the Company.
- 7.3 Shares shall be issued pursuant to a notice of exercise within 30 days of the date of exercise and a definitive share certificate issued to the Option Holder in respect thereof. Save for any rights determined by reference to a date preceding the date of allotment or transfer, such Shares shall rank pari passu with the other shares of the same class in issue at the date of allotment or transfer.
- 7.4 When an Option is exercised only in part, the balance shall remain exercisable on the same terms as originally applied to the whole Option and a new option certificate shall be issued accordingly by the Company as soon as possible after the partial exercise.

8. ADMINISTRATION AND AMENDMENT

- 8.1 Subject to Rule 8.4 the Scheme shall be administered by the Board whose decision on all disputes shall be final.
- 8.2 The Board may from time to time amend these Rules provided that

8.2.1 no amendment may materially affect an Option Holder as regards an Option granted prior to the amendment being made;

8.2.2 the provisions relating to:

- (i) the definition of Eligible Employee;
- (ii) the basis for determining an Eligible Employee's entitlement to, and the terms of, Shares or Options which may be acquired or granted under the Scheme and for the adjustment thereof (if any) in the event of a stock split, stock dividend, recapitalisation combination of shares, exchange of shares or other change affecting the Common Stock as a class

shall not be altered to the advantage of Eligible Employees without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax or regulatory treatment for Eligible Employees in the scheme or for a Participating Company).

8.3 The cost of establishing and operating the Scheme shall be borne by the Participating Companies in such proportions as the Board shall determine.

8.4 The Board shall determine the options which shall be offered under the Scheme to directors consultants and senior executives of Participating Companies, and ensure that options granted are related to the performance of Option Holders and of Participating Companies, and that such options provide a long term incentive.

8.5 Any notice or other communication under or in connection with the Scheme may be given by the Company either personally or by post and to the Company either personally or by post to the secretary; items sent by post shall be prepaid and shall be deemed to have been received 72 hours after posting.

8.6 The Company shall at all times keep available sufficient authorised and unissued Shares to satisfy the exercise to the full extent still possible of all Options which have neither lapsed nor been fully exercised, taking account of any other obligations of the Company to issue unissued shares.

9. TAXATION AND NATIONAL INSURANCE

The Company, in its discretion, shall be entitled to impose any or all of the following requirements as a condition of the grant or exercise of an Option namely that the Option Holder shall:

- 9.1 permit the Company to arrange for any Participating Company which employs an Option Holder, or former Option Holder, to deduct from salary such amounts in respect of income tax or National Insurance due and payable by the Option Holder as any Participating Company shall be required to collect or pay in respect of the grant or exercise of any Option under this scheme or any resulting shareholding, or any charge to income tax or National Insurance due and payable by the Option Holder arising in respect of such grant or exercise or the holding of shares resulting from such exercise; and/or
- 9.2 pay to the Company an amount equal to the amount of income tax due and payable by the Option Holder that the Company shall be required to collect or pay in respect of the grant or exercise of any Option under this scheme or any resulting shareholding, or any charge to income tax due and payable by the Option Holder arising in respect of such grant or exercise or the holding of shares resulting from such exercise; and/or
- 9.3 irrevocably and unconditionally appoint the Company Secretary (or such other person as the Directors may from time to time nominate) as his or her attorney (in such form as the Directors may from time to time specify) to effect the sale of such number of shares whose proceeds, after deducting any disposal costs and any liability to stamp duty or stamp duty reserve tax, are sufficient to discharge the payment of income tax or National Insurance referred to in Rule 9.1 or 9.2 above so far as the same is permitted by law;

and the Company shall pay the same to the relevant Government collection agency.

GRANT OF OPTION

Dear

Date

ELEMENT 14 UNAPPROVED SHARE OPTION SCHEME ("THE SCHEME")

The Board has decided to grant you an Option to acquire [] Shares in the Common Stock of the Company under the terms of the Scheme Rules, a copy of which is attached for your consideration.

The acquisition price per share payable upon the exercise of the Option will be [\$].

The Option shall become exercisable for the Option Shares in instalments over the period to 30th June 2003 providing you remain an Eligible Employee at such dates in the following proportions:-

- (i) as to 12.5% after 31st December 1999; and
- (ii) as to the remaining instalments of 12.5% following each six month period thereafter to 30th June 2003.

Your option certificate will be forwarded to you shortly.

Yours sincerely

[signed by Director of Element 14, Inc.]

ELEMENT 14 UNAPPROVED SHARE OPTION SCHEME

OPTION CERTIFICATE

This is to certify that

..... is the holder of an option to acquire up to a maximum of shares at a price of per share.

This option was granted on [date] under the Rules of the Element 14 Unapproved Share Option Scheme.

The option is exercisable in accordance with the terms of the Scheme Rules (and which require the satisfaction of the Exercise Schedule before such option may be exercised).

It is not transferable, and will lapse upon the occasion of an assignment, charge, disposal or other dealing with the rights conveyed by it in any other circumstances

(Usual Element 14 Sealing Clause)

THIS CERTIFICATE IS IMPORTANT AND SHOULD BE KEPT IN A SAFE PLACE

NOTICE OF EXERCISE OF OPTION

To: The Secretary
Element 14, Inc.
645 Newmarket Road
Cambridge
CB5 8PB

From: (name in block capitals)
..... (address)
.....
.....

(1) I give notice to that immediately upon your receipt of this certificate and the enclosed remittance I am exercising the option, granted in the attached Option Certificate, to acquire shares at the acquisition price stated of \$.....

(2) I enclose a cheque drawn in favour of Element 14, Inc. for \$..... being the amount payable in full for those shares

Date Signed

BROADCOM CORPORATION
STOCK OPTION ASSUMPTION AGREEMENT
ELEMENT 14, INC.
UNAPPROVED SHARE OPTION SCHEME

This STOCK OPTION ASSUMPTION AGREEMENT by and between Broadcom Corporation, a California corporation ("Broadcom"), and the undersigned individual ("Optionee") is effective as of November 22, 2000 (this "Assumption Agreement").

WHEREAS, Optionee holds one or more outstanding options to purchase shares of the common stock ("Element 14 Stock") of Element 14, Inc., a Delaware corporation ("Element 14"), which were granted to Optionee under the Element 14, Inc. Unapproved Share Option Scheme (the "Option Scheme"), and are each evidenced by an Option Certificate(s).

WHEREAS, Element 14 has been acquired by Broadcom through the merger of E14 Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Broadcom ("E14"), with and into Element 14 (the "Merger") pursuant to the Merger Agreement and Plan of Reorganization, dated as of September 22, 2000 (the "Merger Agreement"), by and among Broadcom, E14 and Element 14 and, with respect to Articles 7 and 9 of the Merger Agreement only, Rob Soni, as Stockholder Agent, and U.S. Stock Transfer Corporation, as Depositary Agent.

WHEREAS, the provisions of the Merger Agreement require Broadcom to assume the obligations of Element 14 under the Option Scheme and each outstanding option under the Option Scheme at the consummation of the Merger.

WHEREAS, by an agreement by and between Element 14 and the Optionee, it was agreed that the Optionee's options under the Option Scheme would be assumed by the successor corporation (or a parent or subsidiary of the successor corporation) in the event of a merger of Element 14 with or into another corporation.

WHEREAS, Broadcom desires to issue to the holder of each such assumed option (the "Assumed Option") an agreement evidencing the assumption of such option.

WHEREAS, pursuant to the Merger Agreement, each outstanding share of Element 14 Stock was converted into 0.13252068 (the "Exchange Ratio") of a share of Class A common stock, par value \$0.0001 per share, of Broadcom ("Broadcom Stock").

WHEREAS, the purpose of this Agreement is to evidence the assumption by Broadcom of the outstanding options held by Optionee at the time of the consummation of the Merger (the "Effective Time") and to reflect certain adjustments to Optionee's outstanding options which have become necessary in connection with their assumption by Broadcom.

NOW, THEREFORE, it is hereby agreed as follows:

1. The number of shares of Element 14 Stock subject to the options outstanding under the Option Scheme held by Optionee immediately prior to the Effective Time (the "Element 14 Options") and the exercise price payable per share are set forth in Exhibit A attached hereto. Broadcom hereby assumes, as of the Effective Time, all the duties and obligations of Element 14 under the Option Scheme and each of the Element 14 Options. In connection with such assumption, the number of shares of Broadcom Stock purchasable under each Assumed Option and the exercise price payable thereunder have been adjusted to reflect the Exchange Ratio. Accordingly, the number of shares of Broadcom Stock subject to each Assumed Option shall be as specified for that option in attached Exhibit A, and the adjusted exercise price payable per share of Broadcom Stock under the Assumed Option shall also be as indicated for that option in Exhibit A attached hereto.

2. The intent of the foregoing adjustments to each Assumed Option is to assure that the difference between the aggregate fair market value of the shares of Broadcom Stock purchasable under each such option and the aggregate exercise price as adjusted pursuant to this Agreement will, immediately after the consummation of the Merger, be no less than the difference which existed, immediately prior to the Merger, between the then aggregate fair market value of the Element 14 Stock subject to the Element 14 Option and the aggregate exercise price in effect at such time under the Option Certificate(s). Such adjustments are also intended to preserve, immediately after the Merger, on a per share basis, the same ratio of exercise price per option share to fair market value per share which existed under the Element 14 Option immediately prior to the Merger.

3. Unless the context otherwise requires, all references in the Option Certificate(s) and, if applicable, in the Option Scheme (as incorporated into such Option Certificate(s)) shall be adjusted as follows: (i) all references to the "Company" shall mean Broadcom, (ii) all references to "Common Stock" shall mean a share of Broadcom Stock and (iii) all references to the "Board" shall mean the Board of Directors of Broadcom.

4. The grant date and the expiration date of each Assumed Option and all other provisions which govern either the exercise or the termination of the Assumed Option shall remain the same as set forth in the Option Certificate(s) applicable to that option, and the provisions of the Option Scheme and the Option Certificate(s) shall accordingly govern and control Optionee's rights to purchase Broadcom Stock under the Assumed Option.

5. Pursuant to the terms of your Option Certificate(s) and the Option Scheme, your Assumed Options shall not vest or become exercisable on an accelerated basis upon the consummation of the Merger. Accordingly, each Assumed Option shall continue to vest and become exercisable for unvested shares of Broadcom Stock subject to that option on the same terms and in accordance with the same installment vesting schedule as those in effect under the applicable Option Certificate(s) immediately prior to the Effective Time; provided, however, that the number of shares of Broadcom Stock subject to each such installment shall be adjusted to reflect the Exchange Ratio.

6. For purposes of applying any and all provisions of the Option Certificate(s) and/or the Option Scheme relating to Optionee's status as an employee of or a consultant to Element 14, Optionee shall be deemed to continue in such status as an employee or a consultant

for so long as Optionee renders services as an employee or a consultant to Broadcom or any present or future subsidiary of Broadcom. Accordingly, the provisions of the Option Certificate(s) governing the termination of the Assumed Options upon Optionee's cessation of service as an employee of or a consultant to Element 14 shall hereafter be applied on the basis of Optionee's cessation of employee or consultant status with Broadcom or any present or future subsidiaries of Broadcom, and each assumed Element 14 Option shall accordingly terminate, within the designated time period in effect under the Option Certificate for that option, following such cessation of service as an employee of or a consultant to Broadcom or any present or future subsidiaries of Broadcom.

7. The adjusted exercise price payable for the Broadcom Stock subject to each Assumed Option shall be payable in any of the forms authorized under the Option Certificate applicable to that option.

8. In order to exercise each Assumed Option, Optionee must deliver to Broadcom a written notice of exercise in which the number of shares of Broadcom Stock to be purchased thereunder must be indicated. The exercise notice must be accompanied by payment of the adjusted exercise price payable for the purchased shares of Broadcom Stock or must specify the arrangement for the payment of the purchase price as permitted by the applicable Option Certificate. This notice should be delivered to Broadcom at the following address:

Broadcom Corporation
16215 Alton Parkway
Irvine, California 92618
Attention: Manager of Shareholder Services

9. Except to the extent specifically modified by this Assumption Agreement, all of the terms and conditions of each Option Certificate as in effect immediately prior to the Merger shall continue in full force and effect and shall not in any way be amended, revised or otherwise affected by this Assumption Agreement.

IN WITNESS WHEREOF, Broadcom Corporation has caused this Assumption Agreement to be executed on its behalf by its duly authorized officer as of November 22, 2000.

BROADCOM CORPORATION

By:

David A. Dull
Vice President, General Counsel and
Secretary

ACKNOWLEDGMENT

The undersigned acknowledges receipt of the foregoing Assumption Agreement and understands and agrees that all rights and liabilities with respect to each of his or her Element 14 Options hereby assumed by Broadcom are as set forth in the Option Certificate, the Option Scheme, and this Assumption Agreement.

Signature of Optionee

Printed Name

DATED: