

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 ON FORM S-8* TO

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ADVANCED MICRO DEVICES, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

94-1692300

(STATE OR OTHER JURISDICTION
OF INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER IDENTIFICATION NO.)

ONE AMD PLACE, SUNNYVALE, CALIFORNIA

94088-3453

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

1995 EMPLOYEE STOCK PURCHASE PLAN OF NEXGEN, INC.**
1995 STOCK PLAN OF NEXGEN, INC., AS AMENDED**
NEXGEN, INC. 1987 EMPLOYEE STOCK PLAN**

(FULL TITLE OF THE PLANS)

THOMAS M.MCCOY
VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
ADVANCED MICRO DEVICES, INC., ONE AMD PLACE,
SUNNYVALE, CALIFORNIA 94088-3453

(NAME AND ADDRESS OF AGENT FOR SERVICE)

(408) 732-2400

(TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

* Filed as a post-effective amendment on Form S-8 to such Form S-4 Registration Statement pursuant to the provisions of Rule 401(e) and the procedure described herein. See "INTRODUCTORY STATEMENT."

** Each such plan to be assumed by Advanced Micro Devices, Inc. following the effectiveness of the merger of NexGen, Inc. with and into Advanced Micro Devices, Inc. pursuant to an Agreement and Plan of Merger dated as of October 20, 1995, as amended on December 11, 1995 and January 11, 1996.

INTRODUCTORY STATEMENT

Advanced Micro Devices, Inc. ("AMD") hereby amends its registration Statement on Form S-4 (No. 33-64911) (the "Registration Statement"), by filing this Post-Effective Amendment No. 1 on Form S-8 (the "Post-Effective Amendment") relating to the shares of common stock, \$.01 par value, of AMD ("AMD Common Stock") issuable upon the exercise of stock options granted under the 1995 Stock Plan of NexGen, Inc., as amended, and the NexGen, Inc. 1987 Employee Stock Plan, or issuable pursuant to the 1995 Employee Stock Purchase Plan of NexGen, Inc. (together, the "Plans"). AMD and NexGen, Inc. ("NexGen") entered into an Agreement and Plan of Merger dated as of October 20, 1995, amended as of

December 11, 1995 and January 11, 1996 (the "Merger Agreement"), pursuant to which on January 17, 1996, NexGen merged with and into AMD (the "Merger"). In the Merger, each outstanding share of common stock, \$.0001 par value, of NexGen ("NexGen Common Stock") was converted into the right to receive .8 of a share of AMD Common Stock (the "Exchange Ratio"). In addition, AMD assumed the Plans and the options and rights to purchase shares of NexGen Common Stock previously granted thereunder became options and rights to purchase shares of AMD Common Stock, as adjusted as to price and/or number of shares to reflect the Exchange Ratio.

The designation of the Post-Effective Amendment as Registration No. 33-64911-01 denotes that the Post-Effective Amendment relates only to the shares of AMD Common Stock issuable upon exercise of stock options and rights to purchase stock under the Plans and that this is the first Post-Effective Amendment filed with respect to such shares.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

ITEM 1. PLAN INFORMATION.*

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION.*

* Information required by Part I to be contained in the Section 10(a) prospectus with respect to each plan for which this Registration Statement is filed is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933 and the note to Part I of Form S-8.

PART II

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by the Registrant with the Securities and Exchange Commission are incorporated by reference in this Registration Statement:

a. Annual Report on Form 10-K for the fiscal year ended December 25, 1994, and Amendment No. 1 thereto on Form 10-K/A dated August 7, 1995, filed pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act");

b. Quarterly Reports on Form 10-Q for the quarters ended April 2, 1995, July 2, 1995 and October 1, 1995, and Current Reports on Form 8-K dated December 30, 1994, February 10, 1995, March 13, 1995, April 17, 1995, September 25, 1995, November 6, 1995, December 18, 1995, January 5, 1996, January 10, 1996 and January 12, 1996.

c. The description of the Registrant's Common Stock contained in the Registration Statement on Form 8-A filed September 14, 1979, under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold, or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement, and to be a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES

Not applicable.

ITEM 5. INTEREST OF NAMED EXPERTS AND COUNSEL

Not applicable.

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ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Delaware General Corporation Law provides for the indemnification of officers and directors under certain conditions. The Bylaws of the Registrant

permit indemnification to the maximum extent permitted by Delaware law. In addition, the Registrant is bound by agreements with certain of its directors and officers which obligate it to indemnify such persons in various circumstances. The Registrant has in effect a director and officer liability insurance policy indemnifying the Registrant and the officers and directors of the Registrant and officers and directors of the Registrant's subsidiaries within a specific limit for certain liabilities incurred by them, including liabilities under the Securities Act of 1933. The Registrant pays the entire premium of this policy. The Registrant's Certificate of Incorporation contains a provision which eliminates the personal liability of directors of the Registrant for monetary damages for certain breaches of fiduciary duty, as permitted by Section 102(b)(7) of the Delaware General Corporation Law.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

ITEM 8. EXHIBITS

See Index to Exhibits.

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 of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the 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 the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs 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 in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, 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.

(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 offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 13(d) of the Exchange Act that is incorporated by reference in the 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 of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the 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 of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, 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 Post-Effective Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Sunnyvale, California, on this 17th day of January, 1996.

ADVANCED MICRO DEVICES, INC.

By /s/ Marvin D. Burkett

Marvin D. Burkett
Senior Vice President
Chief Financial and Administrative
Officer and Treasurer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
* ----- W.J. Sanders III	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	January 17, 1996
* ----- Anthony B. Holbrook	Vice Chairman of the Board	January 17, 1996
* ----- Richard Previte	Director, President and Chief Operating Officer	January 17, 1996
* ----- Friedrich Baur	Director	January 17, 1996

* ----- Charles M. Blalack	Director	January 17, 1996
* ----- R. Gene Brown	Director	January 17, 1996
* -----	Director	January 17, 1996

Joe L. Roby

*

Director

January 17, 1996

Leonard Silverman

/s/ Marvin D. Burkett

Senior Vice President,

January 17, 1996

Marvin D. Burkett

Chief Financial and
Administrative Officer
and Treasurer
(Principal Financial
Officer and Principal
Accounting Officer)

* By: /s/ Marvin D. Burkett

Marvin D. Burkett
Attorney-in-Fact

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EXHIBIT INDEX

Exhibit

No.

Exhibit Name

5* Opinion of Counsel; Bronson, Bronson & McKinnon
23.1 Consent of Ernst & Young LLP, Independent Auditors
23.2* Consent of Counsel (See Exhibit 5)
24* Power of Attorney
99.1 1995 Employee Stock Purchase Plan of NexGen, Inc.
99.2 1995 Stock Plan of NexGen, Inc., as amended
99.3 NexGen, Inc. 1987 Employee Stock Plan

* Previously filed

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CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement (Form S-4 No. 33-64911) of Advanced Micro Devices, Inc. pertaining to the 1995 Employee Stock Purchase Plan of NexGen, Inc., the 1995 Stock Plan of NexGen, Inc., as amended, and the NexGen, Inc. 1987 Employee Stock Plan, of our report dated January 5, 1995, except for the first paragraph of Note 14, as to which the date is January 11, 1995; the fourth paragraph of Note 5, as to which the date is February 10, 1995; and the fourth paragraph of Note 6, as to which the date is February 16, 1995, with respect to the consolidated financial statements of Advanced Micro Devices, Inc., incorporated by reference in its Annual Report (Form 10-K) for the year ended December 25, 1994, and the related financial statement schedule included therein, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

San Jose, California
January 16, 1996

1995 EMPLOYEE STOCK PURCHASE PLAN OF NEXGEN, INC.

(as amended and restated effective January 1, 1996)

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1995 EMPLOYEE STOCK PURCHASE PLAN OF NEXGEN, INC.

SECTION 1. PURPOSE OF THE PLAN.

The Plan was adopted by the Company's Board of Directors on March 12, 1995, effective as of the date of the IPO. The Plan was amended and restated by the Company's Board of Directors on August 28, 1995, effective as of January 1, 1996.

The purpose of the Plan is to provide Eligible Employees with an opportunity to increase their proprietary interest in the success of the Company by purchasing Stock from the Company on favorable terms and to pay for such purchases through payroll deductions. The Plan is intended to qualify under section 423 of the Internal Revenue Code of 1986, as amended. The Plan is also intended to comply with Rule 16b-3 (or its successor) under the Exchange Act.

SECTION 2. ADMINISTRATION OF THE PLAN.

(a) The Committee. The Plan shall be administered by the Committee. The interpretation and construction by the Committee of any provision of the Plan or of any right to purchase Stock granted under the Plan shall be conclusive and binding on all persons.

(b) Rules and Forms. The Committee may adopt such rules and forms under the

Plan as it considers appropriate.

SECTION 3. ENROLLMENT AND PARTICIPATION.

(a) Offering Periods. While the Plan is in effect, two overlapping Offering Periods shall commence in each calendar year. The Offering Periods shall consist of the 24-month periods commencing on each January 1 and July 1, except that the first Offering Period shall commence on the date of the IPO and end on June 30, 1997.

(b) Accumulation Periods. While the Plan is in effect, two Accumulation Periods shall commence in each calendar year. The Accumulation Periods shall consist of the six-month periods commencing on each January 1 and July 1, except that the first Accumulation Period shall commence on the date of the IPO and end on December 31, 1995.

(c) Enrollment. Any individual who, on the day preceding the first day of an Offering Period, qualifies as an Eligible Employee may elect to become a Participant in the Plan for such Offering Period by executing the enrollment form prescribed for this purpose by the Committee. The enrollment form shall be filed with the Company at the prescribed location not later than

one week prior to the last working day prior to the commencement of such Offering Period.

(d) Duration of Participation. Once enrolled in the Plan, a Participant shall continue to participate in the Plan until he or she ceases to be an Eligible Employee, withdraws from the Plan or reaches the end of the Accumulation Period in which he or she discontinued employee contributions under Section 4(d). A Participant who discontinued employee contributions under Section 4(d) or withdrew from the Plan under Section 5(a) may again become a Participant, if he or she then is an Eligible Employee, by following the procedure described in Subsection (c) above. A participant whose employee contributions were discontinued automatically under Section 8(b) shall automatically resume participation at the beginning of the next calendar year, if he or she then is an Eligible Employee.

(e) Applicable Offering Period. For purposes of calculating the Purchase Price under Section 7(b), the applicable Offering Period shall be determined as follows:

(i) Once a Participant is enrolled in the Plan for an Offering Period, such Offering Period shall continue to apply to him or her until the earliest of (A) the end of such Offering Period, (B) the end of his or her participation under Subsection (d) above or (C) reenrollment in a subsequent Offering Period under Paragraph (ii) below.

(ii) In the event that the Fair Market Value of Stock on the last trading day before the commencement of the Offering Period in which the Participant is enrolled is higher than on the last trading day before the commencement of any subsequent Offering Period, the Participant shall automatically be re-enrolled for such subsequent Offering Period.

(iii) When a Participant reaches the end of an Offering Period but his or her participation is to continue, then such Participant shall automatically be re-enrolled for the Offering Period that commences immediately after the end of the prior Offering Period.

(f) Special Rule for Directors and Officers. Any other provision of the Plan notwithstanding, an Insider shall not resume employee contributions under the Plan for a period of at least six months after discontinuing his or her employee contributions. This Subsection (f) shall be applicable only to extent required by Rule 16b-3 (or its successor) under the Exchange Act.

SECTION 4. EMPLOYEE CONTRIBUTIONS.

(a) Frequency of Payroll Deductions. A Participant may purchase shares of Stock under the Plan solely by means of payroll deductions. Payroll deductions, as designated by the Participant pursuant to Subsection (b) below, shall occur

on each payday during participation in the Plan.

(b) Amount of Payroll Deductions. An Eligible Employee shall designate on the enrollment form the portion of his or her Compensation that he or she elects to have withheld for the purchase of Stock. Such portion shall be a whole percentage of the Eligible Employee's Compensation, but not less than 1% nor more than 12%.

(c) Changing Withholding Rate. If a Participant wishes to change the rate of payroll withholding, he or she may do so by filing a new enrollment form with the Company at the prescribed location not later than one week prior to the last working day prior to the commencement of the Accumulation Period for which such change is to be effective.

(d) Discontinuing Payroll Deductions. If a Participant wishes to discontinue employee contributions entirely, he or she may do so by filing a new enrollment form with the Company at the prescribed location at any time. Payroll withholding shall cease as soon as reasonably practicable after such form has been received by the Company. (In addition, employee contributions may be discontinued automatically pursuant to Section 8(b).)

SECTION 5. WITHDRAWAL FROM THE PLAN.
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(a) Withdrawal. A Participant may elect to withdraw from the Plan by filing the prescribed form with the Company at the prescribed location at any time before the last day of an Accumulation Period. As soon as reasonably practicable thereafter, payroll deductions shall cease and the entire amount credited to the Participant's Plan Account shall be refunded to him or her in cash, without interest. No partial withdrawals shall be permitted.

(b) Re-Enrollment After Withdrawal. A former Participant who has withdrawn from the Plan shall not be a Participant until he or she re-enrolls in the Plan under Section 3(b).

SECTION 6. CHANGE IN EMPLOYMENT STATUS.
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(a) Termination of Employment. Termination of employment as an Eligible Employee for any reason, including death, shall be treated as an automatic withdrawal from the Plan under Section 5(a). (A transfer from one Participating Company to

another shall not be treated as a termination of employment.)

(b) Leave of Absence. For purposes of the Plan, employment shall not be deemed to terminate when the Participant goes on a military leave, a sick leave or another bona fide leave of absence, if the leave was approved by the Company in writing. Employment, however, shall be deemed to terminate 90 days after the Participant goes on a leave, unless a contract or statute protects his or her right to return to work. Employment shall be deemed to terminate in any event when the approved leave ends, unless the Participant immediately returns to work. The Company shall determine which leaves count for this purpose.

(c) Death. In the event of the Participant's death, the amount credited to his or her Plan Account shall be paid to a beneficiary designated by him or her for this purpose on the prescribed form or, if none, to the Participant's estate. Such form shall be valid only if it was filed with the Company at the prescribed location before the Participant's death.

SECTION 7. PLAN ACCOUNTS AND PURCHASE OF SHARES.
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(a) Plan Accounts. The Company shall maintain a Plan Account on its books in the name of each Participant. Whenever an amount is deducted from the Participant's Compensation under the Plan, such amount shall be credited to the Participant's Plan Account. No interest shall be credited to Plan Accounts.

(b) Purchase Price. The Purchase Price for each share of Stock purchased at the close of an Accumulation Period shall be the lower of:

(i) 85% of the Fair Market Value of such share on the last trading day

in such Accumulation Period; or

(ii) 85% of the Fair Market Value of such share on the last trading day before the commencement of the applicable Offering Period (as determined under Section 3(e)) or, in the case of the first Offering Period under the Plan, 85% of the price at which one share of Stock is offered to the public in the IPO.

(c) Number of Shares Purchased. As of the last day of each Accumulation Period, each Participant shall be deemed to have elected to purchase the number of shares of Stock calculated in accordance with this Subsection (c), unless the Participant has previously elected to withdraw from the Plan in accordance with Section 5(a). The amount then in the Participant's Plan Account shall be divided by the Purchase Price, and the number of shares that results shall be purchased from the Company with the funds in the Participant's Plan Account. The foregoing

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notwithstanding, no Participant shall purchase more than a maximum of 5,000 shares of Stock with respect to any Accumulation Period nor shares of Stock in excess of the amounts set forth in Sections 8 and 12(a). The Committee may determine with respect to all Participants that any fractional share, as calculated under this Subsection (c), shall be rounded down to the next lower whole share.

(d) Available Shares Insufficient. In the event that the aggregate number of shares that all Participants elect to purchase during an Accumulation Period exceeds the maximum number of shares remaining available for issuance under Section 12(a), then the number of shares to which each Participant is entitled shall be determined by multiplying the number of shares available for issuance by a fraction, the numerator of which is the number of shares that such Participant has elected to purchase and the denominator of which is the number of shares that all Participants have elected to purchase.

(e) Issuance of Stock. Certificates representing the shares of Stock purchased by a Participant under the Plan shall be issued to him or her as soon as reasonably practicable after the close of the applicable Accumulation Period, except that the Committee may determine that such shares shall be held for each Participant's benefit by a broker designated by the Committee (unless the Participant has elected that certificates be issued to him or her). Shares may be registered in the name of the Participant or jointly in the name of the Participant and his or her spouse as joint tenants with right of survivorship or as community property.

(f) Unused Cash Balances. An amount remaining in the Participant's Plan Account that represents the Purchase Price for any fractional share shall be carried over in the Participant's Plan Account to the next Accumulation Period. Any amount remaining in the Participant's Plan Account that represents the Purchase Price for whole shares that could not be purchased by reason of Subsection (c) above, Section 8 or Section 12(a) shall be refunded to the Participant in cash, without interest.

(g) Prohibition Against Resale by Insiders. Subsection (e) above notwithstanding, during a period of three months following the last day of an Accumulation Period, all shares purchased under the Plan on such day by Insiders shall be held in escrow by the Company or its designee as agent for the Insiders (and their spouses) who own such shares and shall not be transferable or assignable.

SECTION 8. LIMITATIONS ON STOCK OWNERSHIP.

(a) Five Percent Limit. Any other provision of the Plan

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notwithstanding, no Participant shall be granted a right to purchase Stock under the Plan if such Participant, immediately after his or her election to purchase such Stock, would own stock possessing more than 5% of the total combined voting power or value of all classes of stock of the Company or any parent or Subsidiary of the Company. For purposes of this Subsection (a), ownership of stock shall be determined after applying the attribution rules of section 424(d)

of the Internal Revenue Code of 1986, as amended, and each Participant shall be considered to own any stock that he or she has a right or option to purchase under this or any other plan.

(b) \$25,000 Limit. Any other provision of the Plan notwithstanding, no Participant shall be granted a right to purchase Stock under the Plan if such Participant's rights to purchase stock under this and all other employee stock purchase plans of the Company or any parent or Subsidiary of the Company would accrue at a rate that exceeds \$25,000 of the fair market value of such stock (determined at the beginning of the applicable Offering Period) for each calendar year for which such right is outstanding at any time. For purposes of this Subsection (b), employee stock purchase plans not described in section 423 of the Internal Revenue Code of 1986, as amended, shall be disregarded, and each Participant shall be considered to have the right to purchase not more than 5,000 shares of Stock under this Plan with respect to each Accumulation Period. If a Participant is precluded by this Subsection (b) from purchasing additional Stock under the Plan, then his or her employee contributions shall automatically be discontinued for the balance of the calendar year and resume at the beginning of the next calendar year (if he or she then is an Eligible Employee).

SECTION 9. RIGHTS NOT TRANSFERABLE.
- - - - -

The rights of any Participant under the Plan, or any Participant's interest in any Stock or moneys to which he or she may be entitled under the Plan, shall not be transferable by voluntary or involuntary assignment or by operation of law, or in any other manner other than by beneficiary designation or the laws of descent and distribution. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interest under the Plan, other than by beneficiary designation or the laws of descent and distribution, then such act shall be treated as an election by the Participant to withdraw from the Plan under Section 5(a).

SECTION 10. NO RIGHTS AS AN EMPLOYEE.
- - - - -

Nothing in the Plan shall be construed to give any person the right to remain in the employ of a Participating Company. Each Participating Company reserves the right to terminate the

employment of any person at any time, with or without cause.

SECTION 11. NO RIGHTS AS A STOCKHOLDER.
- - - - -

A Participant shall have no rights as a stockholder with respect to any shares that he or she has purchased, or may have a right to purchase, under the Plan until the date of issuance of a stock certificate for such shares.

SECTION 12. STOCK OFFERED UNDER THE PLAN.
- - - - -

(a) Authorized Shares. The aggregate number of shares of Stock available for purchase under the Plan shall be 500,000, subject to adjustment pursuant to this Section 12.

(b) Anti-Dilution Adjustments. The aggregate number of shares of Stock offered under the Plan, the 5,000-share limitation described in Section 7(c) and the price of shares that any Participant has elected to purchase shall be adjusted proportionately by the Committee for any increase or decrease in the number of outstanding shares of Stock resulting from a subdivision or consolidation of shares, the payment of a stock dividend, any other increase or decrease in such shares effected without receipt or payment of consideration by the Company or the distribution of the shares of a Subsidiary to the Company's stockholders.

(c) Reorganizations. In the event of a dissolution or liquidation of the Company, or a merger or consolidation to which the Company is a constituent corporation, the Plan shall terminate unless the plan of merger, consolidation or reorganization provides otherwise, and all amounts that have been withheld but not yet applied to purchase Stock hereunder shall be refunded, without interest. The Plan shall in no event be construed to restrict in any way the

Company's right to undertake a dissolution, liquidation, merger, consolidation or other reorganization.

SECTION 13. AMENDMENT OR DISCONTINUANCE.

The Board of Directors shall have the right to amend, suspend or terminate the Plan at any time and without notice. Except as provided in Section 12, any increase in the aggregate number of shares of Stock to be issued under the Plan shall be subject to approval by a vote of the stockholders of the Company. In addition, any other amendment of the Plan shall be subject to approval by a vote of the stockholders of the Company to the extent required by an applicable law or regulation.

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SECTION 14. DEFINITIONS.

(a) "Accumulation Period" means a six-month period during which contributions may be made toward the purchase of Stock under the Plan, as determined pursuant to Section 3(b).

(b) "Board of Directors" means the Board of Directors of the Company, as constituted from time to time.

(c) "Committee" means a committee of the Board of Directors, consisting of two or more directors appointed by the Board of Directors.

(d) "Company" means NexGen, Inc., a Delaware corporation.

(e) "Compensation" means the total compensation paid in cash to a Participant by a Participating Company, including salaries, wages, bonuses, incentive compensation, commissions and overtime pay, but excluding moving or relocation allowances, car allowances, imputed income attributable to cars or life insurance, taxable fringe benefits and similar items, all as determined by the Committee.

(f) "Eligible Employee" means any employee of a Participating Company whose customary employment is for more than five months per calendar year and for more than 20 hours per week. An Insider shall not be considered an Eligible Employee unless he or she:

(i) Was an employee of a Participating Company on the date of the IPO;
or

(ii) Has been an employee of a Participating Company for not less than 12 consecutive months.

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

(h) "Fair Market Value" means the market price of Stock, determined by the Committee as follows:

(i) If Stock was traded over-the-counter on the date in question but was not traded on the Nasdaq Stock Market or the Nasdaq National Market, then the Fair Market Value shall be equal to the mean between the last reported representative bid and asked prices quoted for such date by the principal automated inter-dealer quotation system on which Stock is quoted or, if the Stock is not quoted on any such system, by the "Pink Sheets" published by the National Quotation Bureau, Inc.;

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(ii) If Stock was traded over-the-counter on the date in question and was traded on the Nasdaq Stock Market or the Nasdaq National Market, then the Fair Market Value shall be equal to the last-transaction price quoted for such date by the Nasdaq Stock Market or the Nasdaq National Market;

(iii) If the Stock was traded on a stock exchange on the date in question, then the Fair Market Value shall be equal to the closing price reported by the applicable composite transactions report for such date; and

(iv) If none of the foregoing provisions is applicable, then the Fair Market Value shall be determined by the Committee in good faith on such basis as it deems appropriate.

Whenever possible, the determination of Fair Market Value by the Committee shall be based on the prices reported in the Western Edition of The Wall Street Journal or as reported directly to the Company by Nasdaq or a comparable exchange. Such determination shall be conclusive and binding on all persons.

(i) "Insider" means an employee of a Participating Company who is considered a director or officer of the Company for purposes of section 16 of the Exchange Act.

(j) "IPO" means the initial offering of Stock to the public pursuant to a registration statement filed with the Securities and Exchange Commission on Form S-1.

(k) "Offering Period" means a 24-month period with respect to which the right to purchase Stock may be granted under the Plan, as determined pursuant to Section 3(a).

(l) "Participant" means an Eligible Employee who elects to participate in the Plan, as provided in Section 3(c).

(m) "Participating Company" means the Company and each present or future Subsidiary, except Subsidiaries excluded by the Committee.

(n) "Plan" means this 1995 Employee Stock Purchase Plan of NexGen, Inc., as it may be amended from time to time.

(o) "Plan Account" means the account established for each Participant pursuant to Section 7(a).

(p) "Purchase Price" means the price at which Participants may purchase Stock under the Plan, as determined pursuant to Section 7(b).

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(q) "Stock" means the Common Stock of the Company.

(r) "Subsidiary" means a corporation, 50% or more of the total combined voting power of all classes of stock of which is owned by the Company or by another Subsidiary.

SECTION 15. EXECUTION.
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To record the amendment and restatement of the Plan by the Board of Directors on August 28, 1995, the Company has caused its authorized officer to execute the same.

NEXGEN, INC.

By _____

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1995 STOCK PLAN OF NEXGEN, INC.

(As Amended Effective December 8, 1995)

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1995 STOCK PLAN OF NEXGEN, INC.

SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was adopted on March 12, 1995, and amended on May 10, 1995. Its purpose is to offer selected employees, consultants and promotional representatives an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Common Stock. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under section 422 of the Code.

The Plan is intended to comply in all respects with Rule 16b-3 (or its successor) under the Exchange Act and shall be construed accordingly.

SECTION 2. DEFINITIONS.

(a) "Board of Directors" shall mean the Board of Directors of the Company, as constituted from time to time.

(b) "Change in Control" shall mean the occurrence of either of the following events:

(i) A change in the composition of the Board of Directors, as a result of which fewer than one-half of the incumbent directors are directors who either:

(A) Had been directors of the Company 24 months prior to such change; or

(B) Were elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the directors who had been directors of the Company 24 months prior to such change and who were still in office at the time of the election or nomination; or

(ii) Any "person" (as such term is used in sections 13(d) and 14(d) of the Exchange Act) by the acquisition or aggregation of securities is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the "Base Capital Stock"); except that any change in the relative beneficial ownership of the Company's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and

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any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Company. For purposes of this Paragraph (ii), the term "person" shall not include an employee benefit plan maintained by the Company.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Committee" shall mean a committee of the Board of Directors, as described in Section 3(a).

(e) "Company" shall mean NexGen, Inc., a Delaware corporation, its parent corporation, or its successor.

(f) "Employee" shall mean:

(i) Any individual who is a common-law employee of the Company or of a Subsidiary;

(ii) An Outside Director; and

(iii) An independent contractor who performs services for the Company or a Subsidiary and who is not a member of the Board of Directors.

Service as an Outside Director or independent contractor shall be considered employment for all purposes of the Plan, except as provided in Section 4(a).

(g) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(h) "Exercise Price" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Committee in the applicable Stock Option Agreement.

(i) "Fair Market Value" shall mean the market price of Stock, determined by the Committee as follows:

(i) If Stock was traded over-the-counter on the date in question but was not traded on the Nasdaq system or the Nasdaq National Market System, then the Fair Market Value shall be equal to the mean between the last reported representative bid and asked prices quoted for such date by the principal automated inter-dealer quotation system on which Stock is quoted or, if Stock is not quoted on any such system, by the "Pink Sheets" published by the National Quotation Bureau, Inc.;

(ii) If Stock was traded over-the-counter on the date in question and was traded on the Nasdaq system or the Nasdaq National Market System, then the Fair Market Value

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shall be equal to the last-transaction price quoted for such date by the Nasdaq system or the Nasdaq National Market System;

(iii) If Stock was traded on a stock exchange on the date in question, then the Fair Market Value shall be equal to the closing price reported by the applicable composite-transactions report for such date; and

(iv) If none of the foregoing provisions is applicable, then the Fair Market Value shall be determined by the Committee in good faith on such basis as it deems appropriate.

In all cases, the determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

(j) "IPO" means the initial offering of Stock to the public pursuant to a registration statement filed with the Securities and Exchange Commission on Form S-1.

(k) "ISO" shall mean an employee incentive stock option described in section 422(b) of the Code.

(l) "Nonstatutory Option" shall mean a stock option not described in sections 422(b) or 423(b) of the Code.

(m) "Offeree" shall mean an individual to whom the Committee has offered the right to acquire Shares under the Plan (other than upon exercise of an Option).

(n) "Option" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(o) "Optionee" shall mean an individual who holds an Option.

(p) "Outside Director" shall mean a member of the Board of Directors who is not a common-law employee of the Company or of a Subsidiary.

(q) "Plan" shall mean this 1995 Stock Plan of NexGen, Inc., as it may be amended from time to time.

(r) "Purchase Price" shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Committee.

(s) "Service" shall mean service as an Employee.

(t) "Share" shall mean one share of Stock, as adjusted in accordance with Section 9 (if applicable).

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(u) "Stock" shall mean the Common Stock of the Company.

(v) "Stock Option Agreement" shall mean the agreement between the Company and an Optionee which contains the terms, conditions and restrictions pertaining to his or her Option.

(w) "Stock Purchase Agreement" shall mean the agreement between the Company and an Offeree who acquires Shares under the Plan which contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

(x) "Subsidiary" shall mean any corporation, if the Company and/or one or more other Subsidiaries own not less than 50 percent of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(y) "Total and Permanent Disability" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one year.

(z) "Vesting Start Date," in the case of an Outside Director, shall mean the latest of:

(i) The date of the IPO;

(ii) The earliest date when the Outside Director no longer holds unexercisable options to purchase more than 10,000 Shares that were granted to him or her by the Company prior to the IPO; or

(iii) The date when the Outside Director first joins the Board of Directors.

SECTION 3. ADMINISTRATION.

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(a) Committee Membership. The Plan shall be administered by the Committee. The Committee shall consist of two or more members of the Board of Directors who meet the requirements established from time to time by:

(i) The Securities and Exchange Commission for plans intended to qualify for exemptions under Rule 16b-3 (or its successor) under the Exchange Act; and

(ii) The Internal Revenue Service for plans intended to qualify for an exemption under section 162(m) (4) (C) of the Code.

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An Outside Director shall not fail to meet such requirements solely because he or she receives the Nonstatutory Options described in Section 4(b). The Board of Directors may appoint a separate committee, consisting of one or more members of the Board of Directors who need not meet such requirements. Such committee may administer the Plan with respect to Employees who are not officers or directors of the Company, may grant Shares and Options under the Plan to such Employees and may determine the timing, number of Shares and other terms of such grants.

(b) Committee Procedures. The Board of Directors shall designate one of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at meetings at which a quorum exists, or acts reduced to or approved in writing by all Committee members, shall be valid acts of the Committee.

(c) Committee Responsibilities. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take the following actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Shares are to be awarded or offered for sale and when Options are to be granted under the Plan;

(v) To select the Offerees and Optionees;

(vi) To determine the number of Shares to be offered to each Offeree or to be made subject to each Option;

(vii) To prescribe the terms and conditions of each award or sale of Shares, including (without limitation) the Purchase Price, and to specify the provisions of the Stock Purchase Agreement relating to such award or sale;

(viii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, to determine whether such Option is to be classified as an ISO or as a Nonstatutory Option, and to specify the provisions of the Stock Option Agreement relating to such Option;

(ix) To amend any outstanding Stock Purchase Agreement or Stock Option Agreement, subject to applicable legal

restrictions and to the consent of the Offeree or Optionee who entered into such agreement;

(x) To prescribe the consideration for the grant of each Option or other right under the Plan and to determine the sufficiency of such consideration; and

(xi) To take any other actions deemed necessary or advisable for the administration of the Plan.

All decisions, interpretations and other actions of the Committee shall be final and binding on all Offerees, all Optionees, and all persons deriving their rights from an Offeree or Optionee. No member of the Committee shall be liable for any action that he or she has taken or has failed to take in good faith with respect to the Plan, any Option, or any right to acquire Shares under the Plan.

SECTION 4. ELIGIBILITY.

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(a) General Rules. Only Employees (including, without limitation, independent contractors who are not members of the Board of Directors) shall be eligible for designation as Optionees or Offerees by the Committee. In addition, only Employees who are common-law employees of the Company or a Subsidiary shall be eligible for the grant of ISOs. Employees who are Outside Directors shall only be eligible for the grant of the Nonstatutory Options described in Subsection (b) below.

(b) Outside Directors. Any other provision of the Plan notwithstanding, the participation of Outside Directors in the Plan shall be subject to the following restrictions:

(i) Exclusive Provision. Outside Directors shall receive no grants other than the Nonstatutory Options described in this Subsection (b).

(ii) One-Time Grant to Existing Outside Directors. Each Outside Director who is a member of the Board of Directors on the date of the IPO shall receive a one-time grant of a Nonstatutory Option covering 25,000 Shares on such date. The first 20 percent of an Option granted to an Outside Director under this Paragraph (ii) shall become exercisable on the first anniversary of such Outside Director's Vesting Start Date. The remaining 80 percent of such Option shall become exercisable in 48 equal monthly installments over the four-year period commencing on the first anniversary of such Outside Director's Vesting Start Date.

(iii) Initial Grant to New Outside Directors. Each Outside Director who first becomes a member of the Board of Directors after the IPO shall receive a one-time grant of a Nonstatutory Option covering 25,000 Shares (subject to

adjustment under Section 9). Such Option shall be granted on the date when such Outside Director first joins the Board of Directors. The first 20 percent of an Option granted to an Outside Director under this Paragraph (iii) shall become exercisable on the first anniversary of the date of grant. The remaining 80 percent of such Option shall become exercisable in 48 equal monthly installments over the four-year period commencing on the first anniversary of the date of grant.

(iv) Annual Grants. Each Outside Director shall receive an annual grant of a Nonstatutory Option covering 5,000 Shares (subject to adjustment under Section 9). Such Option shall be granted on each anniversary of such Outside Director's Vesting Start Date (commencing with the first anniversary). The first 20 percent of an Option granted to an Outside Director under this Paragraph (iv) shall become exercisable on the first anniversary of the date of grant. The remaining 80 percent of such Option shall become exercisable in 48 equal monthly installments over the four-year period commencing on the first anniversary of the date of grant.

(v) Accelerated Vesting. All Nonstatutory Options granted to an

Outside Director under this Subsection (b) shall also become exercisable in full in the event of:

(A) A Change in Control; or

(B) The termination of the Outside Director's service because of death, Total and Permanent Disability or retirement at or after age 65.

(vi) Exercise Price. The Exercise Price under all Nonstatutory Options granted to an Outside Director under this Subsection (b) shall be equal to 100 percent of the Fair Market Value of a Share on the date of grant, payable in one of the forms described in Subsection (a), (b), (c) or (d) of Section 8.

(vii) Term. All Nonstatutory Options granted to an Outside Director under this Subsection (b) shall terminate on the earliest of:

(A) The 10th anniversary of the date of grant;

(B) The date three months after the termination of such Outside Director's service for any reason other than death or Total and Permanent Disability;

(C) The date six months after the termination of such Outside Director's service because of Total and Permanent Disability; or

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(D) The date 12 months after such Outside Director's death.

(viii) Option Agreement. A Nonstatutory Option grant to an Outside Director under this Subsection (b) shall be invalid if such Outside Director declines to execute a Stock Option Agreement pursuant to Section 7(a).

(c) Ten-Percent Stockholders. An Employee who owns more than 10 percent of the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for the grant of an ISO unless:

(i) The Exercise Price is at least 110 percent of the Fair Market Value of a Share on the date of grant; and

(ii) Such ISO by its terms is not exercisable after the expiration of five years from the date of grant.

(d) Attribution Rules. For purposes of Subsection (c) above, in determining stock ownership, an Employee shall be deemed to own the stock owned, directly or indirectly, by or for such Employee's brothers, sisters, spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for its stockholders, partners or beneficiaries. Stock with respect to which such Employee holds an option shall not be counted.

(e) Outstanding Stock. For purposes of Subsection (c) above, "outstanding stock" shall include all stock actually issued and outstanding immediately after the grant. "Outstanding stock" shall not include shares authorized for issuance under outstanding options held by the Employee or by any other person.

SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be authorized but unissued Shares or treasury Shares. The aggregate number of Shares which is issued under the Plan (upon exercise of Options or other rights to acquire Shares) shall not exceed 1,500,000 Shares plus the number of Shares remaining available for awards under the Company's 1987 Employee Stock Plan (the "Prior Plan") as of March 31, 1995. (No additional grants shall be made under the Prior Plan after March 31, 1995.). On January 1 of the years 1996, 1997, 1998, 1999 and 2000, the aggregate number of Shares which may be issued under the Plan (upon exercise of Options or other rights to acquire Shares) shall automatically increase by a number of Shares equal to 3.5 percent of the total number of Shares then outstanding, provided that the number of Shares which is issued

under the Plan upon exercise of ISOs shall in no event exceed 1,500,000 Shares during the entire term of the Plan. All limitations under this Subsection (a) shall be subject to adjustment pursuant to Sec-

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tion 9. The number of Shares which are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that any outstanding option granted under this Plan or the Prior Plan for any reason expires or is cancelled or otherwise terminated, the Shares allocable to the unexercised portion of such option shall become available for the purposes of this Plan. In the event that Shares issued under this Plan or the Prior Plan are reacquired by the Company pursuant to a forfeiture provision, a right of repurchase or a right of first refusal, such Shares shall become available for the purposes of this Plan.

SECTION 6. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Stock Purchase Agreement. Each award or sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Offeree and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Purchase Agreement. The provisions of the various Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to acquire Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Offeree within 30 days after the grant of such right was communicated to the Offeree by the Committee. Such right shall not be transferable and shall be exercisable only by the Offeree to whom such right was granted.

(c) Purchase Price. The Purchase Price of Shares to be offered under the Plan shall not be less than the par value of such Shares. Subject to the preceding sentence, the Purchase Price shall be determined by the Committee at its sole discretion. The Purchase Price shall be payable in a form described in Section 8.

(d) Withholding Taxes. As a condition to the award, sale or vesting of Shares, the Offeree shall make such arrangements as the Committee may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with such Shares. The Committee may permit the Offeree to satisfy all or part of his or her tax obligations related to such Shares by having the Company withhold a portion of any Shares that otherwise would be issued to him or her or by surrendering any Shares that previously were acquired by him or

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her. The Shares withheld or surrendered shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. The payment of taxes by assigning Shares to the Company, if permitted by the Committee, shall be subject to such restrictions as the Committee may impose, including any restrictions required by rules of the Securities and Exchange Commission.

(e) Restrictions on Transfer of Shares. Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Purchase Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

SECTION 7. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall

be evidenced by a Stock Option Agreement executed by the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. Options granted to any Optionee in a single calendar year shall in no event cover more than 500,000 Shares, subject to adjustment in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an ISO shall not be less than 100 percent of the Fair Market Value of a Share on the date of grant, except as otherwise provided in Section 4(c). The Exercise Price of a Nonstatutory Option shall not be less than the par value of a Share. Subject to the preceding two sentences, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in a form described in Section 8.

(d) Withholding Taxes. As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Committee may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with such exercise. The Optionee shall also make such arrangements as the Committee may require for the satisfaction of any federal, state, local or foreign withholding tax obligations

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that may arise in connection with the disposition of Shares acquired by exercising an Option. The Committee may permit the Optionee to satisfy all or part of his or her tax obligations related to the Option by having the Company withhold a portion of any Shares that otherwise would be issued to him or her or by surrendering any Shares that previously were acquired by him or her. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. The payment of taxes by assigning Shares to the Company, if permitted by the Committee, shall be subject to such restrictions as the Committee may impose, including any restrictions required by rules of the Securities and Exchange Commission.

(e) Exercisability. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. The vesting of any Option shall be determined by the Committee at its sole discretion. Each Stock Option Agreement shall provide for immediate exercisability of the entire Option in the event of a Change in Control or in the event of the Optionee's death or Total and Permanent Disability. A Stock Option Agreement may also provide for accelerated exercisability in the event of the Optionee's retirement or upon other events.

(f) Term. Each Stock Option Agreement shall specify the term of the Option. The term of an ISO shall not exceed 10 years from the date of grant, except as otherwise provided in Section 4(c). Subject to the preceding sentence, the Committee at its sole discretion shall determine when an Option is to expire. A Stock Option Agreement may provide that the Option will expire before the end of its normal term in the event that the Optionee's Service terminates.

(g) Nontransferability. During an Optionee's lifetime, such Optionee's Option(s) shall be exercisable only by him or her and shall not be transferable. In the event of an Optionee's death, such Optionee's Option(s) shall not be transferable other than by will, by written beneficiary designation or by the laws of descent and distribution.

(h) No Rights as a Stockholder. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by his or her Option until the date of the issuance of a stock certificate for such Shares. No adjustments shall be made, except as provided in Section 9.

(i) Modification, Extension and Renewal of Options. Within the

limitations of the Plan, the Committee may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised) in return for the grant of new Options at the same or a different price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair such

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Optionee's rights or increase his or her obligations under such Option.

(j) Restrictions on Transfer of Shares. Any Shares issued upon exercise of an Option may be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

SECTION 8. PAYMENT FOR SHARES.

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(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in lawful money of the United States of America at the time when such Shares are purchased, except as follows:

(i) Stock Purchases. In the case of Shares sold under the terms of a Stock Purchase Agreement subject to the Plan, payment shall be made only pursuant to the express provisions of such Stock Purchase Agreement. However, the Committee (at its sole discretion) may specify in the Stock Purchase Agreement that payment may be made in one or both of the forms described in Subsections (e) and (f) below.

(ii) ISOs. In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. However, the Committee (at its sole discretion) may specify in the Stock Option Agreement that payment may be made pursuant to Subsections (b), (c), (d) or (f) below.

(iii) Nonstatutory Options. In the case of a Nonstatutory Option granted under the Plan, the Committee (at its sole discretion) may accept payment pursuant to Subsections (b), (c), (d) or (f) below.

(b) Surrender of Stock. To the extent that this Subsection (b) is applicable, payment may be made all or in part with Shares which have already been owned by the Optionee or his or her representative for more than 12 months and which are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Exercise/Sale. To the extent that this Subsection (c) is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

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(d) Exercise/Pledge. To the extent that this Subsection (d) is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(e) Services Rendered. To the extent that this Subsection (e) is applicable, Shares may be awarded under the Plan in consideration of services rendered to the Company or a Subsidiary prior to the award. If Shares are awarded without the payment of a Purchase Price in cash, the Committee shall make a determination (at the time of the award) of the value of the services rendered by the Offeree and the sufficiency of the consideration to meet the requirements of Section 6(c).

(f) Promissory Note. To the extent that this Subsection (f) is applicable, a portion of the Purchase Price or Exercise Price, as the case may

be, of Shares issued under the Plan may be payable by a full-recourse promissory note, provided that (i) the par value of such Shares must be paid in lawful money of the United States of America at the time when such Shares are purchased, (ii) the Shares are security for payment of the principal amount of the promissory note and interest thereon and (iii) the interest rate payable under the terms of the promissory note shall be no less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

SECTION 9. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization, a spinoff or a similar occurrence, the Committee shall make appropriate adjustments in one or more of:

- (i) The number of Shares available under Section 5 for future grants;
- (ii) The limit set forth in Section 7(b);
- (iii) The number of Nonstatutory Options to be granted to Outside Directors under Section 4(b);
- (iv) The number of Shares covered by each outstanding Option; or

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- (v) The Exercise Price under each outstanding Option.

(b) Reorganizations. In the event that the Company is a party to a merger or other reorganization, outstanding Options shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding Options by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for payment of a cash settlement equal to the difference between the amount to be paid for one Share under such agreement and the Exercise Price, or for the acceleration of their exercisability followed by the cancellation of Options not exercised, in all cases without the Optionees' consent. Any cancellation shall not occur until after such acceleration is effective and Optionees have been notified of such acceleration.

(c) Reservation of Rights. Except as provided in this Section 9, an Optionee or Offeree shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. SECURITIES LAWS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed.

SECTION 11. NO RETENTION RIGHTS.

Neither the Plan nor any Option shall be deemed to give any individual a

right to remain an employee or consultant of the Company or a Subsidiary. The Company and its Subsidiaries reserve the right to terminate the service of any employee or consultant at any time, with or without cause, subject to applicable laws and a written employment agreement (if any).

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SECTION 12. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become effective as of May 10, 1995. The Plan, if not extended, shall terminate automatically on March 11, 2005. It may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason, except that the provisions of Section 4(b) relating to the amount, price and timing of grants to Outside Directors shall not be amended more than once in any six-month period. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws or regulations.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 13. EXECUTION.

To record the amendment of the Plan by the Board of Directors on May 10, 1995, the Company has caused its authorized officer to execute the same.

NEXGEN, INC.

By _____

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NEXGEN, INC.

1987 EMPLOYEE STOCK PLAN

(as amended and restated as of July 7, 1993)

SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was established in 1987 to offer selected employees, officers, directors, consultants and promotional representatives of the Company or of a Subsidiary an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Common Stock. The Plan provides both for the direct sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under section 422 of the Code. The Plan was amended in August 1989 and January 1992, and was amended and restated effective as of July 7, 1993 to read as set forth therein to comply with the requirements of federal securities law when they become applicable, to add provisions that will allow Optionees to exercise their Options on a cashless basis, and to make certain administrative clarifications and changes.

SECTION 2. DEFINITIONS.

(a) "Board of Directors" shall mean the Board of Directors of the Company, as constituted from time to time.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Committee" shall mean a the committee designated by the Board of Directors, which is authorized to administer the Plan under Section 3 hereof. The Committee shall have membership composition which enables the Plan to qualify under Rule 16b-3 with regard to the grant of Options or other rights under the Plan to persons who are subject to Section 16 of the Exchange Act.

(d) "Company" shall mean NEXGEN, INC., a California corporation.

(e) "Employee" shall mean any individual who is (i) an employee (within the meaning of section 3401(c) of the Code and the regulations thereunder), including an officer, (ii) a director, (iii) a consultant, or (iv) a promotional representative of the Company or of a Subsidiary.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(g) "Exercise Price" shall mean the amount for which one Share may be purchase upon exercise of an Option, as specified by the Committee in the applicable Stock Option Agreement.

(h) "Fair Market Value" shall mean (i) the closing price of a Share on the principal exchange which the Shares are trading, on the first trading day immediately preceding the date on which the Fair Market Value is determined, or (ii) if the Shares are not traded on an exchange but are quoted on NASDAQ or a successor quotation system, the closing price on the first trading day immediately preceding the date on which the Fair Market Value is determined, or (iii) if the Shares are not traded on an exchange or quoted on the NASDAQ or a successor quotation system, the fair market value of a Share, as determined by the Committee in good faith. Such determination shall be conclusive and binding on all persons.

(i) "ISO" shall mean an employee incentive stock option described in section 422(b) of the Code.

(j) "Nonstatutory Option" shall mean an employee stock option that is not

an ISO.

(k) "Offeree" shall mean an individual to whom the Committee has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(l) "Option" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(m) "Optionee" shall mean an individual who holds an Option.

(n) "Plan" shall mean this NexGen, Inc. 1987 Employee Stock Plan, as amended from time to time.

(o) "Purchase Price" shall mean the amount for which one Share may be purchased under the Plan (other than upon exercise of an Option), as specified by the Committee.

(p) "Service" shall mean service as an Employee.

(q) "Share" shall mean one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(r) "Stock" shall mean the Common Stock of the Company.

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(s) "Stock Option Agreement" shall mean the agreement between the Company and an Optionee which contains the terms, conditions and restrictions pertaining to his Option.

(t) "Stock Purchase Agreement" shall mean the agreement between the Company and an Offeree who elects to purchase Shares under the Plan which contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(u) "Subsidiary" shall mean any corporation, if the Company and/or one or more other Subsidiaries own not less than 50 percent of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(v) "Test Rate" shall mean the lower rate of interest which will not result in the imputation of additional interest under any applicable provision of the Code.

(w) "Total and Permanent Disability" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.

SECTION 3. ADMINISTRATION.

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(a) Committee Procedures. The Board of Directors shall designate one of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at meetings at which a quorum exists, or acts reduced to or approved in writing by a majority of all Committee members, shall be valid acts of the Committee.

(b) Committee Responsibilities. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take the following actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Shares are to be offered for sale and when Options are to be granted under the Plan;

(v) To select the Offerees and Optionees;

(vi) To determine the number of Shares to be offered to each Offeree or to be made subject to each Option;

(vii) To prescribe the terms and conditions of each sale of Shares, including (without limitation) the Purchase Price, and to specify the provisions of the Stock Purchase Agreement relating to such sale;

(viii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, to determine whether such Option is to be classified as an ISO or as a Nonstatutory Option, and to specify the provisions of the Stock Option Agreement relating to such Option;

(ix) To amend any outstanding Stock Purchase Agreement or Stock Option Agreement, subject to applicable legal restrictions and to the consent of the Offeree or Optionee who entered into such agreement;

(x) To prescribe the consideration for the grant of each Option or other right under the Plan and to determine the sufficiency of such consideration;

(xi) To determine the disposition of each Option or other right under the Plan in the event of an Optionee's or Offeree's divorce or dissolution of marriage;

(xii) To determine whether Options or other rights under the Plan will be granted in replacement of other grants under an incentive or other compensation plan of an acquired business;

(xiii) To correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Stock Option Agreement or any Stock Purchase Agreement; and

(xiv) To take any other actions deemed necessary or advisable for the administration of the Plan.

Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate, except that the Committee may not delegate its authority with regard to the

selection for participation of or the granting of Options or other rights under the Plan to persons subject to Section 16 of the Exchange Act. All decisions, interpretations and other actions of the Committee shall be final and binding on all Offerees, all Optionees, and all persons deriving their rights from an Offeree or Optionee. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan, any Option, or any right to purchase Shares under the Plan.

(c) Financial Reports. To the extent required by applicable law, and not less often than annually, the Company shall furnish to Optionees and Offerees reports of its financial condition, unless such Optionees and Offerees have access to equivalent information through their employment. Such reports need not be audited.

SECTION 4. ELIGIBILITY.
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(a) General Rule. Only Employees, as defined in Section 2(e), shall be eligible for designation as Offerees or Optionees by the Committee. All Employees shall be eligible for the grant of Nonstatutory Options and the direct sale of Shares. Only common-law employees of the Company or of a Subsidiary shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. To the extent required by applicable law, an Employee who owns more than 10 percent of the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for the grant of an ISO or a Nonstatutory Option unless (i) the Exercise Price under such ISO or Nonstatutory Option is at least 110 percent of the Fair Market Value of a Share on the date of grant and (ii) in the case of an ISO, such ISO by its terms is not exercisable after the expiration of five years from the date of grant.

(c) Attribution Rules. For purposes of Subsection (b) above, in determining stock ownership, an Employee shall be deemed to own the stock owned, directly or indirectly, by or for his brothers, sisters, spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for its shareholders, partners or beneficiaries. Stock with respect to which such Employee holds an option shall not be counted.

(d) Outstanding Stock. For purposes of Subsection (b) above, "outstanding stock" shall include all stock actually issued and outstanding immediately after the grant. "Outstanding stock" shall not include reacquired shares or shares authorized for issuance under outstanding options held by the Optionee or by any other person.

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SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be authorized but unissued Shares. The aggregate number of Shares which may be issued under the Plan (upon exercise of Options or other rights to purchase Shares) shall not exceed 5,210,000 Shares, subject to adjustment pursuant to Section 9. To the extent required by applicable law, the number of Shares which may be issued from time to time under the Plan (upon exercise of Options or other rights to purchase Shares) shall not in the aggregate (inclusive of prior outstanding issuances under the Plan) exceed 30% of the then (upon the date of such issuance) outstanding stock of the Company (treating for purposes of this computation, all shares of Preferred Stock of the Company as having been converted into Stock on the date of such issuance). The number of Shares which are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that any outstanding Option or other right for any reason expires or is canceled or otherwise terminated, the Shares allocable to the unexercised portion of such Option or other right shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are repurchased by the Company pursuant to a right of repurchase or a right of first refusal, such Shares shall again be available for the purposes of the Plan.

SECTION 6. TERMS AND CONDITIONS OF DIRECT SALES.

(a) Stock Purchase Agreement. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Offeree and the Company. Such sale shall be subject to all applicable terms and conditions of the plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Purchase Agreement. The provisions of the various Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Offeree within 30 days after the grant of such right was communicated to him by the Committee. Such right shall not be transferable and shall be exercisable only by the Offeree to whom such right was granted.

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(c) Purchase Price. While the Plan is subject to California Code of Regulations section 260.140, Subarticle 4, the Purchase Price of Shares to be offered for sale under the Plan shall not be less than 100 percent of the Fair Market Value of such Shares on the date of the offer. Subject to the preceding sentence, the Purchase Price shall be determined by the Committee at its sole discretion. The Purchase Price shall be payable in accordance with Section 8.

(d) Restrictions on Transfer of Shares. Any Shares sold under the Plan shall be subject to such special rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Purchase Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

SECTION 7. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an ISO shall not be less than 100 percent of the Fair Market Value of a Share on the date of grant and shall comply with Section 4(b). To the extent required by applicable law, the Exercise Price of a Nonstatutory Option shall not be less than 85 percent of the Fair Market Value of a Share on the date of grant. Subject to the foregoing provisions of this subsection, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in accordance with Section 8.

(d) Withholding Taxes. As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. The Optionee shall also

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make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) Exercisability and Term. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable.

The Stock Option Agreement shall also specify the term of the Option. To the extent required by applicable law, the term shall not exceed 120 months from the date of grant, except as otherwise provided in Section 4(b). Subject to the foregoing provisions of this subsection, the Committee at its sole discretion shall determine when all or any part of an Option is to become exercisable and when such Option is to expire.

(f) Nontransferability. During an Optionee's lifetime, his Option(s) shall be exercisable only by him and shall not be transferable. In the event of an Optionee's death, his Option(s) shall not be transferable other than by will or by the laws of descent and distribution.

(g) Exercise of Options Upon Termination of Service. Subject to the requirements of Subsections 7(h) and (j) below, each Stock Option Agreement shall set forth the extent to which the Optionee shall have the right to exercise the Option following termination of the Optionee's Service with the Company and its Subsidiaries. Such provisions shall be determined in the sole

discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

(h) Termination of Service (Except by Death). To the extent required by applicable law, if an Optionee's Service terminates for any reason other than his death, then his Option(s) shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months following the termination of his Service for any reason other than Total and Permanent Disability; or

(iii) The close of the sixth month following the termination of his Service by reason of Total and Permanent Disability.

The Optionee may exercise all or part of his Option(s) at any time before the expiration of such Option(s) under the preceding sentence, but only to the extent that such Option(s) had become

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exercisable before his Service terminated. The balance of such Option(s) shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of his Service but before the expiration of his Option(s), all or part of such Option(s) may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his Service terminated.

(i) Leaves of Absence. For purposes of Subsection (h) above, Service shall be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence (as determined by the Committee). The foregoing notwithstanding, in the case of an ISO granted under the Plan, Service shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's reemployment rights are guaranteed by statute or by contract.

(j) Death of Optionee. To the extent required by applicable law, if an Optionee dies while he is in Service, then his Option(s) shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;
or

(ii) The date 12 months after his death.

All or part of the Optionee's Option(s) may be exercised at any time before the expiration of such Option(s) under the preceding sentence by the executors or administrators of his estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his death. The balance of such Option(s) shall lapse when the Optionee dies.

(k) No Rights as a Shareholder. As Optionee, or a transferee of an Optionee, shall have no rights as a shareholder with respect to any Share covered by his Option until the date of the issuance of a stock certificate for such Shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date when such stock certificate is issued, except as provided in Section 9.

(l) Modification, Extension and Renewal of Options. Within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised) for the granting of new Options in substitution therefor. The foregoing notwithstanding, no

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modification of an Option shall, without the consent of the Optionee, alter or impair his rights or obligations under such Option.

(m) Restrictions on Transfer of Shares. Any Share issued upon exercise of an Option shall be subject to such special rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

SECTION 8. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash at the time when such Shares are purchased, except as follows:

(i) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. However, the Committee (at its sole discretion) may specify in the Stock Option Agreement that payment may be made in one or all of the forms described in Subsections (b), (c) and (d) below for all or any part of the Exercise Price.

(ii) In all other cases, the Committee (at its sole discretion) may accept payment in one or all of the forms described in Subsections (b), (c) and (d) below for all or any part of the Purchase Price or Exercise Price.

(b) Surrender of Stock. To the extent that this Subsection (b) is applicable, payment may be made with Shares which have already been owned by the Offeree or Optionee for more than 12 months and which are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Promissory Note. To the extent that this Subsection (c) is applicable, payment may be made with a full-recourse promissory note executed by the Offeree or Optionee. Such note shall bear interest at a rate not less than the applicable Test Rate. Subject to the preceding sentence, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any), and other provisions of such note. The Committee may require that the Offeree or Optionee pledge his Shares to the Company for the purpose of securing the payment of such note, and the Committee

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may require that the certificate(s) representing such Shares be held in escrow in order to perfect the Company's security interest. In addition, the Committee, with respect to any Offeree or Optionee who, when the note is to be executed, is not (i) a common-law employee of the Company or a Subsidiary or (ii) a member of the Board of Directors, shall require that such note be adequately secured by collateral other than such Shares.

(d) Cashless Exercise. To the extent that a Stock Option Agreement so provides, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price.

SECTION 9. ADJUSTMENT OF SHARES.

(a) In the event that the outstanding Shares are hereafter increased or decreased, or changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation, by reason of a reorganization, merger, consolidation, recapitalization, reclassification, stock split, combination of shares or declaration of stock dividends, the total number and/or kind of Shares for the purchase of which rights or Options may be granted under the Plan, and the number and/or kind of Shares as to which Options (or portions thereof) are outstanding, shall, to the extent required by applicable law, be adjusted proportionately by the Committee. Any adjustment of an outstanding Option shall be made without a change in the total Exercise Price applicable to the unexercised portion of such Option and with a corresponding adjustment in the Exercise Price per Share. Any adjustment under this Section 9 shall be subject to the provisions of the Company's Articles of Incorporation, as amended, and applicable law.

(b) Reorganizations. A dissolution or liquidation of the Company or a merger or consolidation in which the Company is not the surviving corporation shall cause the Plan to terminate, unless the agreement of merger or consolidation provides for the assumption by the surviving corporation of options granted under the Plan. If the agreement of merger or consolidation does not provide for the assumption by the surviving corporation of options granted under the Plan, options granted under the Plan shall be exercisable in full immediately prior to the closing of such merger or consolidation.

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SECTION 10. REGULATORY APPROVALS AND LISTINGS.

Notwithstanding any other provision in the Plan, the Company shall have no obligation to issue or deliver Shares under the Plan prior to (i) obtaining approval from any governmental agency which the Company determines is necessary or advisable, (ii) admitting such shares to listing on any stock exchange on which the Common Stock may be listed, and (iii) completing any registration or other qualification of such shares under any state or Federal law or ruling of any governmental body which the Company determines to be necessary or advisable.

SECTION 11. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any right or Option granted under the Plan, shall be construed as giving any person the right (a) to become or to be treated as an Employee as defined in Section 2(e)(i) if such person is an Employee as defined in Section 2(e)(ii), (iii) or (iv), or (b) to remain an Employee as defined in Section 2(e). The Company and its Subsidiaries reserve the right to terminate any person's Service at any time, with or without cause.

SECTION 12. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, became effective on January 17, 1987, subject to the approval of the Company's shareholders. The Plan shall terminate automatically on January 17, 1997, and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Rights to Amend or Terminate the Plan. The Board of Directors may amend, suspend or terminate the Plan at any time, from time to time, and for any reason. AN AMENDMENT OF THE PLAN SHALL BE SUBJECT TO THE APPROVAL OF THE COMPANY'S STOCKHOLDERS, BUT ONLY TO THE EXTENT REQUIRED BY APPLICABLE LAWS, REGULATIONS OR RULES.

(c) Effect of Amendment of Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof (including the amendment and restatement set forth herein), shall not affect any Share previously issued and sold or any Option previously granted under the Plan.

SECTION 13. USE OF PROCEEDS.

All cash proceeds received by the Company from the sale of Shares under the Plan shall be used for general corporate purposes.

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SECTION 14. EXECUTION.

To record the adoption of this amended and restated Plan by the Board of Directors as of July 7, 1993, the Company has caused its authorized officer to execute the same.

NEXGEN, INC.

By /s/ S. Atiq Raza

S. Atiq Raza, as its
President