

As filed with the Securities and Exchange Commission on February 2, 1998

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

INTEL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

94-1672743
(I.R.S. Employer
Identification Number)

2200 Mission College Blvd.
Santa Clara, CA
(Address of Principal Executive
Offices)

95052-8119
(Zip Code)

Amended and Restated Chips & Technologies, Inc.
1994 Stock Option Plan
as assumed by Intel Corporation
(Full Title of the Plan)

F. THOMAS DUNLAP, JR.
Vice President, General Counsel and Secretary
Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95052-8119
(Name and Address of Agent for Service)

(408) 765-8080
(Telephone Number, Including Area Code, of Agent for Service)

Copies to:
RONALD O. MUELLER, ESQ.
Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, NW, Suite 900
Washington, DC 20036
(202) 955-8500

Title of Securities to be Registered (1)	CALCULATION OF REGISTRATION FEE			Amount of Registration Fee (3)
	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (2)	
Common Stock, par value \$0.001 per share	700,000	\$77.50	\$54,250,000	\$16,004

- (1) Pursuant to Rule 416(a), also covers additional securities that may be offered as a result of stock splits, stock dividends or similar transactions.
- (2) Estimated solely for the purpose of determining the registration fee.
- (3) Calculated pursuant to Rule 457(c) based upon the average of the high and low prices of the Common Stock on the Nasdaq National Market on January 26, 1998, which was \$77.50.

INTRODUCTION

This Registration Statement on Form S-8 is filed by Intel Corporation, a Delaware corporation (the "Company", "Corporation" or the "Registrant"), relating to 700,000 shares of its common stock, par value \$0.001 per share (the "Common Stock") issuable to eligible non-officer employees of the Company under the Amended and Restated Chips & Technologies, Inc. 1994 Stock Option Plan as assumed by Intel Corporation (the "Plan").

PART I

INFORMATION REQUIRED IN SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

Not filed as part of this Registration Statement pursuant to Note to Part 1 of Form S-8.

Item 2. Registrant Information and Employee Plan Annual Information.

Not filed as part of this Registration Statement pursuant to Note to Part 1 of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which previously have been filed by the Company with the Securities and Exchange Commission (the "Commission"), are incorporated herein by reference and made a part hereof:

- (i) The Company's latest Annual Report on Form 10-K for the fiscal year ended December 28, 1996;
- (ii) All other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") since the end of the fiscal year covered by the Annual Report referred to in (i) above; and
- (iii) The description of the Company's Common Stock contained in Amendment No. 1 to the Company's Registration Statement on Form S-3 (Registration No. 33-56107), filed with the Commission on April 18, 1995, including any amendment or report filed for the purpose of updating such description.

All reports and other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment hereto, which indicates that all securities offered hereunder have been sold or which deregisters all securities then remaining unsold, shall be deemed to be

incorporated by reference herein and to be a part hereof from the date of filing of such documents.

For purposes of this Registration Statement, any document or any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded to the extent that a subsequently filed document or a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such document or such statement in such document. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") makes provision for the indemnification of officers and directors of corporations in terms sufficiently broad to indemnify the officers and directors of the Corporation under certain circumstances from liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Section 102(b)(7) of the DGCL permits a corporation to provide in its Certificate of Incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) in respect of certain unlawful dividend payments or

stock redemptions or repurchases, or (iv) for any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, the Corporation's Certificate of Incorporation (the "Charter") provides that, to the fullest extent permitted by the DGCL or decisional law, no director shall be personally liable to the Corporation or to its stockholders for monetary damages for breach of his fiduciary duty as a director. The effect of this provision in the Charter is to eliminate the rights of the Corporation and its stockholders (through stockholders' derivative suits on behalf of the Corporation) to recover monetary damages against a director for breach of fiduciary duty as a director thereof (including breaches resulting from negligent or grossly negligent behavior) except in the situations described in clauses (i)-(iv), inclusive, above. These provisions will not alter the liability of directors under federal securities laws.

The Corporation's Bylaws (the "Bylaws") provide that the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or

completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or enterprise (including an employee benefit plan), against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereof, and any taxes imposed on such person as a result of such payments) reasonably incurred or suffered by such person in connection with investigating, defending, being a witness in, or participating in (including on appeal), or preparing for any of the foregoing in such action, suit or proceeding, to the fullest extent authorized by the DGCL, provided that the Corporation shall indemnify such person in connection with any such action, suit or proceeding initiated by such person only if authorized by the Board of Directors of the Corporation or brought to enforce certain indemnification rights.

The Bylaws also provide that expenses incurred by an officer or director of the Corporation (acting in his capacity as such) in defending any such action, suit or proceeding shall be paid by the Corporation, provided that if required by the DGCL such expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation. Expenses incurred by other agents of the Corporation may be advanced upon such terms and conditions as the Board of Directors of the Corporation deems appropriate. Any obligation to reimburse the Corporation for expenses advanced under such provisions shall be unsecured and no interest shall be charged thereon.

The Bylaws also provide that indemnification provided for in the Bylaws shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; that any right of indemnification or protection provided under the Bylaws shall not be adversely affected by any amendment, repeal, or modification of the Bylaws; and that the Corporation may purchase and maintain insurance to protect itself and any such person against any such expenses, liability and loss, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL or the Bylaws.

In addition to the above, the Corporation has entered into indemnification agreements with each of its directors and certain of its officers. The indemnification agreements provide directors and officers with the same indemnification by the Corporation as described above and assure directors and officers that indemnification will continue to be provided despite future changes in the Bylaws of the Corporation. The Corporation also provides indemnity insurance pursuant to which officers and directors are indemnified or insured against liability or loss under certain circumstances, which may include liability or related loss under the Securities Act and the Exchange Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Unless otherwise indicated below as being incorporated by reference to another filing of the Company with the Commission, each of the following exhibits is filed herewith:

Exhibit No.	Description
4.1	Amended and Restated Chips & Technologies, Inc. 1994 Stock Option Plan as assumed by Intel Corporation.
4.2*	Intel Corporation Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of Registrant's Form 10-Q for the quarter ended June 26, 1993 [Commission File No. 0-6217] as filed on August 10, 1993).
4.3*	Intel Corporation Bylaws as amended (incorporated by reference to Exhibit 4.2 of Registrant's Form S-8 as filed on February 3, 1997).
4.4*	Agreement to Provide Instruments Defining the Rights of Security Holders (incorporated by reference to Exhibit 4.1 of Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 28, 1986).
4.5*	Warrant Agreement dated as of March 1, 1993, as amended, between the Registrant and Harris Trust and Savings Bank (as successor Warrant Agent) related to the issuance of 1998 Step-Up Warrants to Purchase Common Stock of Intel Corporation (incorporated by reference to Exhibit 4.6 of Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 25, 1993), together with the First Amendment to Warrant Agreement dated as of October 18, 1993, the Second Amendment to Warrant Agreement dated as of January 17, 1994 (incorporated by reference to Exhibit 4.4 of the Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 25, 1994), the Third Amendment to Warrant Agreement dated as of May 1, 1995 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-K as filed on March 29, 1996), and the Fourth Amendment to Warrant Agreement dated as of May 21, 1997 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q as filed on August 11, 1997).
5.1	Legal Opinion of Gibson, Dunn & Crutcher.
23.1	Consent of Gibson, Dunn & Crutcher LLP (contained in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP (independent auditors).
24	Power of Attorney (contained on signature page hereto).

* Incorporated by reference

Item 9. Undertakings.

(1) The undersigned Registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of 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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price

represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective 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;

provided, however, that paragraphs (1)(a)(i) and (1)(a)(ii) do not apply if 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 this registration statement.

- (b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

- (c) 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.

- (2) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference 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.

- (3) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the 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 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 Company certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on this 31st day of December, 1997.

INTEL CORPORATION

By: /s/F. Thomas Dunlap, Jr.
Vice President, General
Counsel and Secretary

Each person whose signature appears below constitutes and appoints F. Thomas Dunlap, Jr. and Andy D. Bryant, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, severally, for him and in his name, place and stead, in any and all capacities, to

sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/Gordon E. Moore Gordon E. Moore	Chairman Emeritus	Dec. 31, 1997
/s/Andrew S. Grove Andrew S. Grove	Principal Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	Dec. 31, 1997
/s/Craig R. Barrett Craig R. Barrett	President, Chief Operating Officer and Director	Dec. 31, 1997
/s/Andy D. Bryant Andy D. Bryant	Vice President, Principal Accounting and Chief Financial Officer (Principal Financial and Accounting Officer)	Dec. 31, 1997
/s/John Browne John Browne	Director	Dec. 31, 1997
/s/Winston H. Chen Winston H. Chen	Director	Dec. 31, 1997
/s/D. James Guzy D. James Guzy	Director	Dec. 31, 1997
/s/Arthur Rock Arthur Rock	Director	Dec. 31, 1997
Jane E. Shaw	Director	
/s/Leslie L. Vadasz Leslie L. Vadasz	Director	Dec. 31, 1997
/s/David B. Yoffie David B. Yoffie	Director	Dec. 31, 1997
/s/Charles E. Young Charles E. Young	Director	Dec. 31, 1997

EXHIBIT INDEX

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5.1 Legal Opinion of Gibson, Dunn & Crutcher.

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24 Power of Attorney (contained on signature page hereto).

* Incorporated by reference

AMENDED AND RESTATED
CHIPS AND TECHNOLOGIES, INC.
1994 STOCK OPTION PLAN
(As Amended Through November 9, 1995)

1. Establishment and Purpose.

(a) Establishment. The Chips and Technologies, Inc. 1985 Stock Option Plan was adopted on January 11, 1985 and was amended and restated on January 8, 1987 (the "Initial Plan"). The Initial Plan is amended and restated in its entirety and renamed the Amended and Restated Chips and Technologies, Inc. 1994 Stock Option Plan (the "Plan") effective upon approval by the stockholders of Chips and Technologies, Inc.

(b) Purpose. The Plan is established to create additional incentive for key employees, directors and consultants or advisors of Chips and Technologies, Inc. and any successor corporation thereto (collectively referred to as the "Company"), and any present or future parent and/or subsidiary corporations of such corporation (all of whom along with the Company being individually referred to as a "Participating Company" and collectively referred to as the "Participating Company Group"), to promote the financial success and progress of the Participating Company Group. For purposes of the Plan, a parent corporation and a subsidiary corporation shall be as defined in sections 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended (the "Code").

2. Administration.

(a) Administration by Board and/or Compensation Committee. The Plan shall be administered by the Board of Directors of the Company (the "Board") and/or by a duly appointed committee of the Board having such powers as shall be specified by the Board. Any subsequent references herein to the Board shall also mean the committee if such committee has been appointed and, unless the powers of the committee have been specifically limited, the committee shall have all of the powers of the Board granted herein, including, without limitation, the power to terminate or amend the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law. All questions of interpretation of the Plan or of any options granted under the Plan (an "Option") shall be determined by the Board, and such determinations shall be final and binding upon all persons having an interest in the Plan and/or any Option.

(b) Disinterested Administration. With respect to the participation in the Plan of employees who are also officers or directors of the Company subject to

Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Plan shall be administered by the Board in compliance with the "disinterested administration" requirement of Rule 16b-3, as promulgated under the Exchange Act and amended from time to time or any successor rule or regulation ("Rule 16b-3").

(c) Compliance with Section 162(m) of the Code. In the event a Participating Company is a "publicly held corporation" as defined in paragraph (2) of section 162(m) of the Code, as amended by the Revenue Reconciliation Act of 1993 (P.L. 103-66), and the regulations promulgated thereunder ("Section 162(m)"), the Company may establish a committee of outside directors meeting the requirements of Section 162(m) to approve the grant of Options which might reasonably be anticipated to result in the payment of employee remuneration that would otherwise exceed the limit on employee remuneration deductible for income tax purposes pursuant to Section 162(m).

(d) Options Authorized. Options may be either incentive stock options as defined in section 422(a) of the Code ("Incentive Stock Options") or options not intended to qualify as Incentive Stock Options ("Nonqualified Stock Options").

(e) Authority of Officers. Any officer of a Participating Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to

the Company herein, provided the officer has apparent authority with respect to such matter, right, obligation, or election.

3. Eligibility. The Options may be granted only to employees (including officers) and directors of the Participating Company Group or to individuals who are rendering services as consultants, advisors, or other independent contractors to the Participating Company Group. The Board shall, in the Board's sole discretion, determine which persons shall be granted Options (an "Optionee"). A director of the Company shall be eligible to be granted only a Nonqualified Stock Option unless the director is also an employee of the Company. For purposes of the foregoing sentence, "employees" shall include prospective employees to whom Options are granted in connection with written offers of employment with Participating Company Group and "consultants" or "advisors" shall include prospective consultants or advisors to whom Options are granted in connection with written consulting or advising offers with the Participating Company Group. An individual who is rendering services as a consultant, advisor, or other independent contractor shall be eligible to be granted only a Nonqualified Stock Option. An Optionee may, if otherwise eligible, be granted additional Options.

4. Shares Subject to Option. Options shall be options for the purchase of the authorized but unissued Common Stock of the Company (the "Stock"), subject to adjustment as provided in paragraph 9 below. The maximum number of shares of Stock which may be issued under the Plan (including the Initial Plan) shall be eighteen

million two hundred thousand (18,200,000) shares. Subject to adjustment as provided in paragraph 9 below, at any such time as a Participating Company is a "publicly held corporation" as defined in Section 162(m), no person shall be granted within any fiscal year of the Company Options which in the aggregate cover more than five hundred thousand (500,000) shares (the "Per Person Limit"). In the event that any outstanding Option under the Plan (including the Initial Plan) for any reason expires or is terminated or canceled and/or shares of Stock subject to repurchase are repurchased by the Company, the shares allocable to the unexercised portion of such Option, or such repurchased shares, may again be subject to an Option grant. Notwithstanding the foregoing, any such shares shall be made subject to a new Option only if the grant of such new Option and the issuance of such shares pursuant to such new Option would not cause the plan or any Option granted under the Plan to contravene Rule 16b-3.

5. Time for Granting Options. All Options shall be granted, if at all, on or before August 11, 2004.

6. Terms, Conditions and Form of Options. Subject to the provisions of the Plan, the Board shall determine for each Option (which need not be identical) the number of shares of Stock for which the Option shall be granted, the option price of the Option, the exercisability of the Option, whether the Option is to be treated as an Incentive Stock Option or as a Nonqualified Stock Option and all other terms and conditions of the Option not inconsistent with the Plan. Options granted pursuant to the Plan shall be evidenced by written agreements specifying the number of shares of Stock covered thereby, in such form as the Board shall from time to time establish, and shall comply with and be subject to the following terms and conditions:

(a) Option Price. The option price for each Option shall be established in the sole discretion of the Board; provided, however, that (i) the option price per share for an Option shall be not less than the fair market value, as determined by the Board, of a share of Stock on the date of the granting of the Option, and (ii) no Incentive Stock Option granted to an Optionee who at the time the Option is granted owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company within the meaning of section 422(b)(6) of the Code and/or ten percent (10%) of the total combined value of all classes of stock of a Participating Company (a "Ten Percent Owner Optionee") shall have an option price per share less than one hundred ten percent (110%) of the fair market value of a share of Stock on the date the Option is granted.

(b) Exercise Period of Options. The Board shall have the power to set the time or times within which each Option shall be exercisable or the event or events upon the occurrence of which all or a portion of each Option shall be exercisable and

the term of each Option; provided, however, that (i) no Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the date such Option is granted and (ii) no Incentive Stock Option granted to a Ten Percent Owner Optionee shall be exercisable after the expiration of five (5) years after the date such Option is granted.

(c) Payment of Option Price. Payment of the option price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check, or cash equivalent, (ii) by tender to the Company of shares of the Company's stock owned by the Optionee having a value, as determined by the Board (but without regard to any restrictions on transferability applicable to such stock by reason of federal or state securities laws or agreements with an underwriter for the Company), not less than the option price, (iii) if specifically permitted by the Board and set forth in the Optionee's Option Agreement, by the Optionee's recourse promissory note, (iv) by the assignment of the proceeds of a sale of some or all of the shares being acquired upon the exercise of an Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (v) by such other consideration and method of payment as the Board, in its sole discretion, may allow, or (vi) by any combination thereof.

The Board may at any time or from time to time, by adoption of or by amendment to the form of Standard Option Agreement described in paragraph 7 below, or by other means, grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the option price and/or which otherwise restrict one (1) or more forms of consideration. Notwithstanding the foregoing, an Option may not be exercised by tender to the Company of shares of the Company's stock to the extent such tender of stock would constitute a violation of the provisions of any law, regulation and/or agreement restricting the redemption of the Company's stock. Furthermore, no promissory note shall be permitted if an exercise using a promissory note would be a violation of any law. Any permitted promissory note shall be due and payable not more than five (5) years after the Option is exercised, and interest shall be payable at least annually and be at least equal to the minimum interest rate necessary to avoid imputed interest pursuant to all applicable sections of the Code. The Board shall have the authority to permit or require the Optionee to secure any promissory note used to exercise an Option with the shares of Stock acquired on exercise of the Option and/or with other collateral acceptable to the Company.

(x) Unless otherwise provided by the Board, an Option may not be exercised by tender to the Company of shares of the Company's stock pursuant to clause (ii) of this paragraph 6(c) unless such shares of the Company's stock either have been owned by the Optionee for more than six (6) months or were not acquired, directly or indirectly, from the Company.

(y) Unless otherwise provided by the Board, in the event the Company at any time becomes subject to the regulations promulgated by the Board of Governors of the Federal Reserve System or any other governmental entity affecting the extension of credit in connection with the Company's securities, any promissory note shall comply with such applicable regulations, and the Optionee shall pay the unpaid principal and accrued interest, if any, to the extent necessary to comply with such applicable regulations.

(z) The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve and/or terminate any program and/or procedures for the exercise of Options by means of an assignment of the proceeds of a sale of some or all of the shares of Stock to be acquired upon such exercise pursuant to clause (iv) of this paragraph 6(c).

7. Standard Forms of Stock Option Agreement.

(a) Incentive Stock Options. Unless otherwise provided for by the Board at the time an Option is granted, an Option designated as an "Incentive Stock Option" shall comply with and be subject to the terms and conditions set forth in the form of incentive stock option agreement attached hereto as Exhibit A and incorporated herein by reference.

(b) Nonqualified Stock Options. Unless otherwise provided for by the Board at the time an Option is granted, an Option designated as a "Nonqualified Stock Option" shall comply with and be subject to the terms and conditions set forth in the form of nonqualified stock option agreement attached hereto as Exhibit B and incorporated herein by reference.

(c) Standard Term for Options. Unless otherwise provided for by the Board in the grant of an Option, any Option granted hereunder shall be exercisable for a term of ten (10) years.

8. Authority to Vary Terms. The Board shall have the authority from time to time to vary the terms of the standard forms of stock option agreement either in connection with the grant of an individual Option or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of such revised or amended standard form or forms of stock option agreement shall be in accordance with the terms of the Plan.

9. Effect of Change in Stock Subject to Plan. Appropriate adjustments shall be made in the number and class of shares of Stock subject to the Plan, to the Per Person Limit set forth in paragraph 4 above, and to any outstanding Options and in the option price of any outstanding Options in the event of a stock dividend, stock split, reverse stock split, combination, reclassification, or like change in the capital structure of the Company.

10. Transfer of Control. A "Transfer of Control" shall be deemed to have occurred in the event any of the following occurs with respect to the Control Company. For purposes of applying this Paragraph 10, the "Control Company" shall mean the corporation whose stock is subject to the Option.

(a) the direct or indirect sale or exchange by the stockholders of the Control Company of all or substantially all of the stock of the Control Company where the stockholders of the Control Company before such sale or exchange do not retain,

directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Control Company;

(b) a merger in which the stockholders of the Control Company before such merger do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Control Company; or

(c) the sale, exchange, or transfer of all or substantially all of the Control Company's assets (other than a sale, exchange, or transfer to one or more corporations where the stockholders of the Control Company before such sale, exchange or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred).

In the event of a Transfer of Control, any unexercisable and/or unvested portion of the outstanding Options shall be immediately exercisable and vested as of the date thirty (30) days prior to the date of the Transfer of Control unless the Board provides for the surviving, continuing, successor, or purchasing corporation or parent corporation thereof, as the case may be (the "Acquiring Corporation"), to either assume the Control Company's rights and obligations under outstanding Options or substitute options for the Acquiring Corporation's stock for such outstanding Options. The exercise and/or vesting of any Option that was permissible solely by reason of this paragraph 10 shall be conditioned upon the consummation of the Transfer of Control. Any Options which are neither assumed or substituted for by the Acquiring Corporation in connection with the Transfer of Control nor exercised as of the date of the Transfer of Control shall terminate and cease to be outstanding effective as of the date of the Transfer of Control.

11. Provision of Information. Each Optionee shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

12. Options Non-Transferable. Unless otherwise provided by the Board, during the lifetime of the Optionee, the Option shall be exercisable only by the Optionee and no Option shall be assignable or transferable by the Optionee, except by will or by

the laws of descent and distribution.

13. Termination or Amendment of Plan and Options. The Board, including any duly appointed committee of the Board, may terminate or amend the Plan and/or any Option at any time; provided, however, that without the approval of the Company's stockholders, there shall be (a) no increase in the total number of shares of Stock covered by the Plan (except by operation of the provisions of paragraph 9 above), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no expansion in the class of persons eligible to receive Nonqualified Stock Options. In addition to the foregoing, the approval of the Company's stockholders shall be sought for any amendment to the Plan or an Option for which the Board deems stockholder approval necessary in order to comply with Rule 16b-3. In any event, no amendment

may adversely affect any then outstanding Option or any unexercised portion thereof, without the consent of the Optionee, unless such amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option.

14. Continuation of Initial Plan as to Outstanding Options. Notwithstanding any other provision to the contrary, the terms of the Initial Plan shall remain in effect and apply to Options granted pursuant to the Initial Plan.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing is the Amended and Restated Chips and Technologies, Inc. 1994 Stock Option Plan as duly adopted by the Board of Directors of the Company on August 11, 1994 and as subsequently amended through November 9, 1995.

Jeffery Anne Tatum, Secretary

EXHIBIT A

INCENTIVE STOCK OPTION AGREEMENT
Between
CHIPS AND TECHNOLOGIES, INC.
and

You have been granted an option under the Amended and Restated Chips and Technologies, Inc. 1994 Stock Option Plan (the "Plan"). This Agreement describes the terms and conditions of your option (the "Agreement").

Number of Shares. Your option is for _____ shares of the common stock of Chips and Technologies, Inc., a Delaware corporation ("Chips").

Option Price. You may purchase your option shares for \$_____ per share, which was the closing price of the common stock of Chips on _____, 199____.

Type of Option. This option is intended to be an incentive stock option as provided in section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but Chips does not warrant that it qualifies as such. You should consult with your own tax advisor regarding the tax effects of this option and the requirements necessary to obtain favorable income tax treatment under section 422 of the Code.

Grant Date. The "Grant Date" of your option is _____, 19____. This is the date the Board of Directors of Chips approved your option grant.

Initial Vesting Date. The "Initial Vesting Date" of your option is _____, 19____. This is the date your option begins to vest.

Exercisability. You may exercise your option immediately in its entirety after the Grant Date unless the total value of all of your incentive stock options from Chips which first become exercisable in 19____ exceeds \$100,000 (see \$100,000 Exercise Limitation below). However, if you buy unvested option shares, they may not be sold or otherwise transferred until they become vested (see Right of Repurchase below).

Term. Your option will expire on _____, 19____, unless your employment with Chips (or a parent corporation or subsidiary corporation of Chips as defined in section 424 of the Code) is terminated as explained below, or unless Chips is involved in a "transfer of control" transaction as explained below.

Vesting of Option. On the Initial Vesting Date, _____ of the option shares will be vested. Thereafter, 1/48 of the option shares will vest for each full month of your

continuous employment with Chips (or a parent or subsidiary corporation of Chips) from the Initial Vesting Date. Your option stops vesting when your employment with Chips (or a parent corporation or subsidiary corporation of Chips) terminates. Vesting during an approved leave of absence is governed by the applicable Leave of Absence Policy in effect at the time you go on leave.

\$100,000 Exercise Limitation. The total value of all of your Chips' incentive stock options (including this option) which are exercisable for the first time during 19____ (the value is determined at the time each option was granted) shall not exceed one hundred thousand dollars (\$100,000). Such limitation on exercise shall be referred to in this Agreement as the "\$100,000 Exercise Limitation." If compliance with the \$100,000 Exercise Limitation will prevent you from exercising the option for any vested shares for more than thirty (30) days after the vesting date for such shares, the option shall be deemed to be two (2) options. The first option shall be for the maximum number of shares that can comply with the \$100,000 Exercise Limitation without preventing the option from being exercisable as to vested shares. The second option, which shall not be treated as an incentive stock option, shall be for the balance of the shares subject to the option and shall be exercisable on the same terms and at the same time as set forth in this Agreement. Unless otherwise specified in your notice of exercise, the first option shall be deemed to be exercised first and then the second option shall be deemed to be exercised.

Right of Repurchase. You can buy shares that have not yet vested. The number of shares you buy over and above your vested shares are "unvested shares." They may not be sold or otherwise transferred until they become vested.

If your employment with Chips (or a parent corporation or subsidiary corporation of Chips) terminates for any reason, with or without cause while you are holding unvested shares, or if you or your legal representative attempts to sell, exchange, transfer, pledge, or otherwise dispose of any unvested shares (other than pursuant to an "ownership change" as defined below), Chips may buy those unvested shares back from you at the option price you originally paid. If Chips wishes to exercise its right to repurchase the unvested shares, it must give you notice within 60 days after (i) the termination of your employment, or exercise of the option, if later, or (ii) Chips has received notice of the attempted disposition. Chips must exercise its right to repurchase the unvested shares, if at all, for all of the unvested shares, except as Chips and you otherwise agree. However, Chips will not repurchase your unvested shares if you transfer your unvested shares to your ancestors, descendants, or spouse or to a trustee for their benefit, provided that the transferee agrees in writing to take the shares subject to Chips' right of repurchase. In the event Chips is unable to exercise the right of repurchase under the provisions of Section 160 of the Delaware General Corporation Law, or the corresponding provisions of other applicable law, Chips has the right to assign the right of repurchase to one or more persons as may be selected by Chips' Board of Directors. To ensure that the unvested shares will be available for repurchase, you are required to deposit the certificate for the shares with an escrow

agent designated by Chips under the terms and conditions of an escrow agreement approved by Chips. If Chips exercises its right to repurchase your unvested shares, payment by Chips to the escrow agent on behalf of you or your legal representative will be made in cash within 60 days after the date of the mailing of the written notice. For purposes of this payment, cancellation of any outstanding promissory note that you have previously delivered to Chips will be treated as payment in cash to the extent of the unpaid principal and any accrued interest canceled. Within 30 days after payment by Chips, the escrow agent will give the shares which Chips has purchased to Chips and give the payment received from Chips to you.

The certificates for unvested shares have stamped on them a special legend referring to Chips' right of repurchase. As your vesting percentage increases, you may request, at reasonable intervals, that Chips exchange those legended shares which have vested for shares that are freely transferable.

Transfer of Control. The following events constitute an "ownership change" of Chips: (1) the direct or indirect sale or exchange by Chips' stockholders of all or substantially all of Chips' stock; (2) a merger in which Chips is a party; or (3) the sale, exchange, or transfer of all or substantially all of Chips' assets (other than a sale, exchange, or transfer to one or more corporations where Chips' stockholders before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred).

A "transfer of control" of Chips means an ownership change in which Chips' stockholders before such ownership change do not retain, directly or indirectly, at least a majority of the beneficial interest in Chips' voting stock. In the event of a transfer of control, all shares acquired upon exercise of your option shall become vested shares effective 30 days prior to the transfer of control, unless the Chips' Board of Directors arranges with the surviving, continuing, successor, or purchasing corporation, as the case may be, for such corporation to assume Chips' rights and obligations under this Agreement or substitute its own option for your Chips' option. Your option will terminate effective as of the date of the transfer of control to the extent that your option is neither exercised as of the date of the transfer of control nor assumed by the surviving, continuing, successor, or purchasing corporation, as the case may be.

Regular Termination. If your employment with Chips (or a parent corporation or subsidiary corporation of Chips) terminates for any reason, with or without cause, your option, to the extent unexercised, may be exercised (to purchase vested shares only) within 30 days after the date of your termination.

Restrictions on Resale: General. You may not sell shares that you acquire by exercising your option at any time you are in possession of material inside information concerning Chips. In addition, sales of shares that you acquire by exercising your option will be governed by Chips' employee trading policy, as in effect at the time of the proposed sale.

Restrictions on Resale: Officers. If you are an officer of Chips, shares that you acquire by exercising your option may only be sold during the officers' trading restriction period. This period commences on the third business day following the release of quarterly financial results and ends twenty-one days thereafter, unless extended by Chips' President or Chief Financial Officer.

Notice of Exercise. When you wish to exercise your option, you must send an executed Notice of Exercise to:

Chips and Technologies, Inc.
2950 Zanker Road
San Jose, California 95134
Attn: Financial Services 1-7

Your notice must specify how many whole shares you wish to purchase, and must contain such representations and agreements as to your investment intent with respect to the shares as may be required by Chips. Your notice must be delivered in person or by certified mail to Chips' Stock Administrator prior to the expiration date of the term of the Option, accompanied by an executed copy of the then current form of escrow instructions, if you are exercising your option for unvested shares, and full payment of the option price for the number of shares being purchased. The Notice of Exercise is effective when it is received by Chips. Chips will not be required to issue fractional shares upon the exercise of your option.

Form of Payment. When you submit your Notice of Exercise, you must include payment of the option price for the number of shares you are purchasing. Payment may be made in one (or a combination of two or more) of the following forms:

- - Your personal check, a cashier's check, or a money order;

- - Irrevocable directions to a securities broker approved by Chips to sell your option shares and to deliver all or a portion of the sale proceeds to Chips in payment of the option price. (The balance of the sales proceeds, if any, will be delivered to you.) The directions must be given by signing a form provided by Chips.

Withholding Taxes. In order to exercise your option, you must make arrangements to pay any federal and state withholding taxes that may be due as a result of the option exercise. In the future, at any time requested by Chips, you must make arrangements to pay any federal or state withholding taxes that may be due as a result of any transfer of any shares acquired on exercise of your option, the operation of any federal or state law providing for the imputation of interest, or the lapse of any restriction with respect to any shares acquired on exercise of your option.

Certificate Registration. The certificate or certificates issued upon the exercise of your option will be registered in your name.

Restriction on Grant of Option and Issuance of Shares. The grant of your option and the issuance of shares upon the exercise of the option are subject to compliance with all applicable requirements of federal or state law with respect to such securities. Your option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities law or other law or regulations. As a condition to the exercise of your option, Chips may require you to make any representation or warranty to Chips as may be necessary or appropriate to evidence compliance with any applicable law or regulation. Chips may place legends on the certificates for your option shares referring to any applicable federal or state securities law restrictions.

Restriction on Issuance of Shares to Section 16 Insiders. In the event that the adoption of any amendment of the Plan is subject to the approval of Chips' stockholders in order for the option to comply with the requirements of Rule 16b-3, promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the option shall not be exercisable prior to such stockholder approval if you are subject to Section 16(b) of the Exchange Act, unless the Board, in its sole discretion, approves the exercise of the option prior to such stockholder approval.

Transfer of Option. Prior to your death, only you may exercise your option, and you cannot transfer or assign your option. However, you may dispose of your option in your will.

Regardless of any marital property settlement agreement, Chips is not obligated to honor a Notice of Exercise from your former spouse, nor is Chips obligated to recognize your former spouse's interest in your option in any other way.

Changes in Stock Subject to the Option. Appropriate adjustments shall be made in the number, exercise price and class of shares of stock subject to the option in the event of a stock dividend, stock split, reverse stock split, combination, reclassification or like change in the capital structure of Chips.

In the event of any such change in the capital structure of Chips, any and all new substituted or additional securities to which you are entitled by reason of your ownership of the shares acquired upon exercise of your option will be immediately subject to Chips' right of repurchase with the same force and effect as the shares subject to the right of repurchase immediately before such event (see Right of Repurchase above).

Employee Rights. Your option or this Agreement do not give you the right to be retained as an employee by Chips (or a parent corporation or subsidiary corporation of Chips). Chips reserves the right to terminate your employment at any time, with or without cause.

Stockholder Rights. You, or your estate or heirs, have no rights as a stockholder of Chips until a certificate for your option shares has been issued. No adjustments are

made for dividends or other rights if the applicable record date occurs prior to the date your stock certificate is issued, except in the event of a change in the stock subject to the option as described above.

Applicable Law. This Agreement will be interpreted and enforced under the laws of the State of California.

Other Agreements. The text of the Plan is incorporated in this Agreement by reference. This Agreement and the Plan constitute the entire understanding between you and Chips regarding your option. Any prior agreements, understandings, commitments, or negotiations concerning your option are superseded.

Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Amendment. Chips may at any time amend or terminate the Plan and/or your option. However, no amendment or termination may adversely affect your option without your consent, unless such amendment is necessary in order to enable the option to qualify as an incentive stock option.

Time of Expiration. Whenever there is a reference in this Agreement to a date when your option expires, the option will expire on that date at 5:00 p.m. local time in San Jose, California.

By signing this Agreement, you agree to all of the terms and conditions described above and in the Plan, including Chips' right to repurchase unvested shares.

CHIPS AND TECHNOLOGIES, INC.

By: _____

Optionee: _____

EXHIBIT B

NONQUALIFIED STOCK OPTION AGREEMENT
Between
CHIPS AND TECHNOLOGIES, INC.
and

You have been granted an option under the Amended and Restated Chips and Technologies, Inc. 1994 Stock Option Plan (the "Plan"). This Agreement describes the terms and conditions of your option (the "Agreement").

Number of Shares. Your option is for _____ shares of the common stock of Chips and Technologies, Inc., a Delaware corporation ("Chips").

Option Price. You may purchase your option shares for \$_____ per share, which was the closing price of the common stock of Chips on _____, 199____.

Type of Option. This option is intended to be a nonqualified stock option and will not be treated as an incentive stock option as provided in section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

Grant Date. The "Grant Date" of your option is _____, 19____. This is the date the Board of Directors of Chips approved your option grant.

Initial Vesting Date. The "Initial Vesting Date" of your option is _____, 19____. This is the date your option begins to vest.

Exercisability. You may exercise your option immediately in its entirety after the Grant Date. However, if you buy unvested option shares, they may not be sold or otherwise transferred until they become vested (see Right of Repurchase below).

Term. Your option will expire on _____, 19____, unless your employment or service with Chips (or a parent corporation or subsidiary corporation of Chips as defined in section 424 of the Code) is terminated as explained below, or unless Chips is involved in a "transfer of control" transaction as explained below.

Vesting of Option. On the Initial Vesting Date, _____ of the option shares will be vested. Thereafter, 1/48 of the option shares will vest for each full month of your continuous employment or service with Chips (or a parent or subsidiary corporation of Chips) from the Initial Vesting Date. Your option

stops vesting when your employment or service with Chips (or a parent corporation or subsidiary corporation of Chips)

terminates. Vesting during an approved leave of absence is governed by the applicable Leave of Absence Policy in effect at the time you go on leave.

Right of Repurchase. You can buy shares that have not yet vested. The number of shares you buy over and above your vested shares are "unvested shares." They may not be sold or otherwise transferred until they become vested.

If your employment or service with Chips (or a parent corporation or subsidiary corporation of Chips) terminates for any reason, with or without cause while you are holding unvested shares, or if you or your legal representative attempts to sell, exchange, transfer, pledge, or otherwise dispose of any unvested shares (other than pursuant to an "ownership change" as defined below), Chips may buy those unvested shares back from you at the option price you originally paid. If Chips wishes to exercise its right to repurchase the unvested shares, it must give you notice within 60 days after (i) the termination of your employment or service, or exercise of the option, if later, or (ii) Chips has received notice of the attempted disposition. Chips must exercise its right to repurchase the unvested shares, if at all, for all of the unvested shares, except as Chips and you otherwise agree. However, Chips will not repurchase your unvested shares if you transfer your unvested shares to your ancestors, descendants, or spouse or to a trustee for their benefit, provided that the transferee agrees in writing to take the shares subject to Chips' right of repurchase. In the event Chips is unable to exercise the right of repurchase under the provisions of Section 160 of the Delaware General Corporation Law, or the corresponding provisions of other applicable law, Chips has the right to assign the right of repurchase to one or more persons as may be selected by Chips' Board of Directors.

To ensure that the unvested shares will be available for repurchase, you are required to deposit the certificate for the shares with an escrow agent designated by Chips under the terms and conditions of an escrow agreement approved by Chips.

If Chips exercises its right to repurchase your unvested shares, payment by Chips to the escrow agent on behalf of you or your legal representative will be made in cash within 60 days after the date of the mailing of the written notice. For purposes of this payment, cancellation of any outstanding promissory note that you have previously delivered to Chips will be treated as payment in cash to the extent of the unpaid principal and any accrued interest canceled. Within 30 days after payment by Chips, the escrow agent will give the shares which Chips has purchased to Chips and give the payment received from Chips to you.

The certificates for unvested shares have stamped on them a special legend referring to Chips' right of repurchase. As your vesting percentage increases, you may request, at reasonable intervals, that Chips exchange those legended shares which have vested for shares that are freely transferable.

Transfer of Control. The following events constitute an "ownership change" of Chips: (1) the direct or indirect sale or exchange by Chips' stockholders of all or substantially

all of Chips' stock; (2) a merger in which Chips is a party; or (3) the sale, exchange, or transfer of all or substantially all of Chips' assets (other than a sale, exchange, or transfer to one or more corporations where Chips' stockholders before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred).

A "transfer of control" of Chips means an ownership change in which Chips' stockholders before such ownership change do not retain, directly or indirectly, at least a majority of the beneficial interest in Chips' voting stock.

In the event of a transfer of control, all shares acquired upon exercise of your option shall become vested shares effective 30 days prior to the transfer of control, unless the Chips' Board of Directors arranges with the surviving, continuing, successor, or purchasing corporation, as the case may be, for such corporation to assume Chips' rights and obligations under this Agreement or

substitute its own option for your Chips' option. Your option will terminate effective as of the date of the transfer of control to the extent that your option is neither exercised as of the date of the transfer of control nor assumed by the surviving, continuing, successor, or purchasing corporation, as the case may be.

Regular Termination. If your employment or service with Chips (or a parent corporation or subsidiary corporation of Chips) terminates for any reason, with or without cause, your option, to the extent unexercised, may be exercised (to purchase vested shares only) within 30 days after the date of your termination.

Restrictions on Resale: General. You may not sell shares that you acquire by exercising your option at any time you are in possession of material inside information concerning Chips. In addition, sales of shares that you acquire by exercising your option will be governed by Chips' employee trading policy, as in effect at the time of the proposed sale.

Restrictions on Resale: Officers. If you are an officer of Chips, shares that you acquire by exercising your option may only be sold during the officers' trading restriction period. This period commences on the third business day following the release of quarterly financial results and ends twenty-one days thereafter, unless extended by Chips' President or Chief Financial Officer.

Notice of Exercise. When you wish to exercise your option, you must send an executed Notice of Exercise to:

Chips and Technologies, Inc.
2950 Zanker Road
San Jose, California 95134
Attn: Financial Services 1-7

Your notice must specify how many whole shares you wish to purchase, and must contain such representations and agreements as to your investment intent with respect to the shares as may be required by Chips. Your notice must be delivered in person or by certified mail to Chips' Stock Administrator prior to the expiration date of the term of the Option, accompanied by an executed copy of the then current form of escrow instructions, if you are exercising your option for unvested shares, and full payment of the option price for the number of shares being purchased. The Notice of Exercise is effective when it is received by Chips. Chips will not be required to issue fractional shares upon the exercise of your option.

Form of Payment. When you submit your Notice of Exercise, you must include payment of the option price for the number of shares you are purchasing. Payment may be made in one (or a combination of two or more) of the following forms:

- - Your personal check, a cashier's check, or a money order;
- - Irrevocable directions to a securities broker approved by Chips to sell your option shares and to deliver all or a portion of the sale proceeds to Chips in payment of the option price. (The balance of the sales proceeds, if any, will be delivered to you.) The directions must be given by signing a form provided by Chips.

Withholding Taxes. In order to exercise your option, you must make arrangements to pay any federal and state withholding taxes that may be due as a result of the option exercise. In the future, at any time requested by Chips, you must make arrangements to pay any federal or state withholding taxes that may be due as a result of any transfer of any shares acquired on exercise of your option, the operation of any federal or state law providing for the imputation of interest, or the lapse of any restriction with respect to any shares acquired on exercise of your option.

Certificate Registration. The certificate or certificates issued upon the exercise of your option will be registered in your name.

Restriction on Grant of Option and Issuance of Shares. The grant of your option and the issuance of shares upon the exercise of the option are subject to compliance with all applicable requirements of federal or state law with respect to such securities. Your option may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal or state securities law or other law or

regulations.

As a condition to the exercise of your option, Chips may require you to make any representation or warranty to Chips as may be necessary or appropriate to evidence compliance with any applicable law or regulation. Chips may place legends on the certificates for your option shares referring to any applicable federal or state securities law restrictions.

Restriction on Issuance of Shares to Section 16 Insiders. In the event that the adoption of any amendment of the Plan is subject to the approval of Chips' stockholders in order for the option to comply with the requirements of Rule 16b-3, promulgated under the

Securities Exchange Act of 1934, as amended (the "Exchange Act"), the option shall not be exercisable prior to such stockholder approval if you are subject to Section 16(b) of the Exchange Act, unless the Board, in its sole discretion, approves the exercise of the option prior to such stockholder approval.

Transfer of Option. Prior to your death, only you may exercise your option, and you cannot transfer or assign your option. However, you may dispose of your option in your will.

Regardless of any marital property settlement agreement, Chips is not obligated to honor a Notice of Exercise from your former spouse, nor is Chips obligated to recognize your former spouse's interest in your option in any other way.

Changes in Stock Subject to the Option. Appropriate adjustments shall be made in the number, exercise price and class of shares of stock subject to the option in the event of a stock dividend, stock split, reverse stock split, combination, reclassification or like change in the capital structure of Chips.

In the event of any such change in the capital structure of Chips, any and all new substituted or additional securities to which you are entitled by reason of your ownership of the shares acquired upon exercise of your option will be immediately subject to Chips' right of repurchase with the same force and effect as the shares subject to the right of repurchase immediately before such event (see Right of Repurchase above).

Employee Rights. Your option or this Agreement do not give you the right to be retained as an employee by Chips (or a parent corporation or subsidiary corporation of Chips). Chips reserves the right to terminate your employment at any time, with or without cause.

Stockholder Rights. You, or your estate or heirs, have no rights as a stockholder of Chips until a certificate for your option shares has been issued. No adjustments are made for dividends or other rights if the applicable record date occurs prior to the date your stock certificate is issued, except in the event of a change in the stock subject to the option as described above.

Applicable Law. This Agreement will be interpreted and enforced under the laws of the State of California.

Other Agreements. The text of the Plan is incorporated in this Agreement by reference. This Agreement and the Plan constitute the entire understanding between you and Chips regarding your option. Any prior agreements, understandings, commitments, or negotiations concerning your option are superseded.

Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Amendment. Chips may at any time amend or terminate the Plan and/or your option. However, no amendment or termination may adversely affect your option without your consent.

Time of Expiration. Whenever there is a reference in this Agreement to a date when your option expires, the option will expire on that date at 5:00 p.m. local time in San Jose, California.

By signing this Agreement, you agree to all of the terms and conditions described above and in the Plan, including Chips' right to repurchase unvested shares.

By: _____

Optionee: _____

GIBSON, DUNN & CRUTCHER LLP
LAWYERS
1050 Connecticut Avenue, NW
WASHINGTON, D.C. 20036-5306
(202) 955-8500

FACSIMILE: (202) 467-0539

January 27, 1998

Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95052-8119

Re: Proposed Offering of up to 700,000 Shares of Common Stock

Ladies and Gentlemen:

We refer to an aggregate of 700,000 shares of Common Stock, par value \$.001 per share, of Intel Corporation, a Delaware corporation (the "Company"), which are the subject of a registration statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"). The shares of Common Stock (the "Shares") subject to the Registration Statement are to be issued under the Amended and Restated Chips & Technologies, Inc. 1994 Stock Option Plan as assumed by Intel Corporation (the "Plan").

We have examined the original, or a photostatic or certified copy, of such records of the Company, certificates of officers of the Company and of public officials and such other documents as we have determined relevant and necessary as the basis for the opinion set forth below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies.

Based upon our examination mentioned above, we are of the opinion that the Shares have been validly authorized for issuance and, when issued and sold in accordance with the terms set forth in the Registration Statement and the Plan, and, when (a) the Registration Statement has become effective under the Act, (b) the pertinent provisions of any applicable state securities law have been complied with, and (c) in the case of options issued under the Plans, the Shares have been paid for, the Shares so issued will be legally issued and will be fully paid and nonassessable.

We consent to the filing of this opinion as an Exhibit to the Registration Statement and to the reference to our firm appearing on the cover of the Registration Statement. In

giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Act or the General Rules and Regulations of the Commission.

Very truly yours,

/s/Gibson, Dunn & Crutcher LLP

GIBSON, DUNN & CRUTCHER LLP

Exhibit 23.2

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-8) and the related prospectus pertaining to the Amended and Restated Chips & Technologies, Inc. 1994 Stock Option Plan as assumed by Intel Corporation and to the incorporation by reference therein of our reports dated January 13, 1997 and March 26, 1997, with respect to the consolidated financial statements and schedule of Intel Corporation, respectively, included and incorporated by reference in its Annual Report (Form 10-K) for the year ended December 28, 1996, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

San Jose, California
January 29, 1998