

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **2002-05-02**  
SEC Accession No. **0000891618-02-002115**

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### FILED BY

#### **IXYS CORP /DE/**

CIK: **945699** | IRS No.: **770140882** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **SC 13D**  
SIC: **3674** Semiconductors & related devices

Mailing Address  
*3540 BASSETT STREET  
SANTA CLARA CA 95054*

Business Address  
*3540 BASSETT ST  
SANTA CLARA CA 95054  
4089540500*

### SUBJECT COMPANY

#### **CLARE INC**

CIK: **945123** | IRS No.: **042561471** | State of Incorpor.: **MA** | Fiscal Year End: **0331**  
Type: **SC 13D** | Act: **34** | File No.: **005-48352** | Film No.: **02632288**  
SIC: **3679** Electronic components, nec

Mailing Address  
*78 CHERRY HILL DRIVE  
BEVERLY MA 01915*

Business Address  
*78 CHERRY HILL DRIVE  
BEVERLY MA 01915  
9785246700*

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

CLARE, INC.

-----  
(Name of Issuer)

COMMON STOCK

-----  
(Title of Class of Securities)

18002R100

-----  
(CUSIP Number)

ARNOLD P. AGBAYANI  
SENIOR VICE PRESIDENT, FINANCE  
AND CHIEF FINANCIAL OFFICER  
IXYS CORPORATION  
3540 BASSETT STREET  
SANTA CLARA, CALIFORNIA 95054-2704  
(408) 982-0700

-----  
(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

APRIL 22, 2002

-----  
(Date of Event which Requires Filing of this Statement)

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

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-7(b) for other parties to whom copies are to be sent.

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

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1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

77-0140882-5

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a) [ ] (b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		0
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		530,679(1)
EACH	9	SOLE DISPOSITIVE POWER
PERSON		0
	10	SHARED DISPOSITIVE POWER
		0

(1) Includes 152,679 shares of Clare, Inc. Common Stock that are subject to Voting Agreements entered into by IXYS and certain stockholders of Clare (discussed in Items 3 and 4 below) and options to purchase an aggregate of 378,000 shares of Clare Common Stock held by such stockholders of Clare, which options are exercisable by the appropriate Clare stockholder within 60 days of April 22, 2002 and are subject to the Voting Agreements. IXYS expressly disclaims beneficial ownership of any of the shares of Clare Common Stock covered by the Voting Agreements. Based on the 10,277,671 shares of Clare Common Stock outstanding as of April 22, 2002 (based on 9,899,671 shares of Clare Common Stock outstanding as of April 22, 2002 as represented by Clare in the Agreement and Plan of Merger and Reorganization dated as of April 22, 2002 and incorporated by reference as Exhibit 2.1 to this Schedule 13D and options to purchase an aggregate of 378,000 shares of Clare Common Stock, which options are exercisable at the discretion of the appropriate Clare stockholder within 60 days of April 22, 2002 and are subject to the Voting Agreements), the number of shares of Clare Common Stock indicated represents approximately 5.2% of the outstanding Clare Common Stock.

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

530,679

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]

Approximately 5.2% (based on 9,899,671 shares of Clare Common Stock outstanding as of April 22, 2002 as represented by the Issuer in the Agreement and Plan of Merger and Reorganization dated as of April 22, 2002 and incorporated by reference as Exhibit 2.1 to this Schedule 13D and options to purchase an aggregate of 378,000 shares of Clare Common Stock, which options are exercisable at the discretion of the appropriate Clare stockholder within 60 days of April 22, 2002 and are subject to the Voting Agreements).

14 TYPE OF REPORTING PERSON

CO

Neither the filing of this statement on Schedule 13D nor any of its contents shall be deemed to constitute an admission by IXYS Corporation that it is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed.

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ITEM 1. SECURITY AND ISSUER

This statement on Schedule 13D relates to 152,679 shares of common stock, \$0.01 par value per share ("Clare Common Stock"), of Clare, Inc., a Massachusetts corporation ("Clare"), and options to purchase an aggregate of 378,000 shares of Clare Common Stock. The principal executive offices of Clare are located at 78 Cherry Hill Drive, Beverly, Massachusetts, 01915.

ITEM 2. IDENTITY AND BACKGROUND

(a) The name of the person filing this statement is IXYS Corporation, a Delaware corporation ("IXYS").

(b) The address of the principal office and principal business of IXYS is 3540 Bassett Street, Santa Clara, California, 95054-2704.

(c) IXYS' principal business is the design, development, manufacture and marketing of high power, high performance power semiconductors. Set forth in Schedule I to this Schedule 13D is the name and present principal occupation or employment of each of IXYS' executive officers and directors and the name, principal business and address of any corporation or other organization in which such employment is conducted.

(d) During the past five years, neither IXYS nor, to IXYS' knowledge, any person named in Schedule I to this Schedule 13D, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither IXYS nor, to IXYS' knowledge, any person named in Schedule I to this Schedule 13D, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction

as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activity subject to federal or state securities laws or finding any violation with respect to such laws.

(f) With the exceptions of Mr. Andreas Hoffman, who is a citizen of Germany, Mr. Peter Ingram, who is a citizen of the United Kingdom and Mr. S. Joon Lee, who is a citizen of South Korea, all of the directors and executive officers of IXYS named in Schedule I to this Schedule 13D are citizens of the United States.

### ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

This statement relates to certain voting agreements between IXYS and certain stockholders of Clare (the "Voting Agreements") whereby such stockholders have agreed to vote their shares of Clare Common Stock (a) in favor of the approval of the merger agreement and the merger and each of the other actions contemplated by the merger agreement and any action in furtherance of any of the foregoing; (b) against any action or agreement that would result in a breach of any of Clare's representations, warranties, covenants or obligations under the merger agreement; (c) against (1) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving Clare or any subsidiary of Clare, (2) any sale, lease or transfer of a material amount of assets of Clare or any subsidiary of Clare, (3) any reorganization, recapitalization, dissolution or liquidation of Clare or any subsidiary of Clare, (4) any change in a majority of the board of directors of Clare, (5) any amendment to Clare's articles of organization or by-laws, (6) any material change in the capitalization of Clare or Clare's corporate structure, (7) any other action that is intended to, or that could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the merger or any of the transactions contemplated in the merger agreement; and (d) in the event certain "identified terminations" of the Merger Agreement occur prior to the termination of the Voting Agreement, against any proposal from a third party related to certain acquisitions of Clare or any of its subsidiaries or any related transaction or agreement or any action that is intended or could reasonably be expected to facilitate the consummation of certain transactions resulting in the acquisition of Clare or any of its subsidiaries by a third party, and to irrevocable proxies ("Proxies") whereby such stockholders have irrevocably appointed IXYS and certain directors of IXYS as such stockholder's lawful attorneys and proxies with respect to the matters described above. No funds were used

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and no funds are to be used by IXYS in entering into the Voting Agreements and in acquiring the Proxies thereunder. The Voting Agreements and Proxies were acquired by IXYS as part of the package of agreements described in Item 4 below.

### ITEM 4. PURPOSE OF TRANSACTION

(a) - (b) Pursuant to an Agreement and Plan of Merger and Reorganization dated as of April 22, 2002 (the "Merger Agreement") among IXYS, Clare and Teacup Acquisition Corp., a wholly-owned subsidiary of IXYS (the "Merger Sub"), and subject to conditions as set forth therein, Merger Sub will be

merged with and into Clare, the separate corporate existence of Merger Sub will cease, Clare will continue as the "Surviving Corporation" and the stockholders of Clare will receive shares of IXYS Common Stock (the "Merger") in exchange for their shares of Clare Common Stock. The Merger is subject to the approval of the Merger Agreement and the Merger by the stockholders of Clare, the approval by IXYS' stockholders of the issuance of IXYS Common Stock in the Merger and the satisfaction or waiver of certain other conditions as more fully described in the Merger Agreement. The foregoing summary of the Merger is qualified in its entirety by reference to the Merger Agreement incorporated by reference as Exhibit 2.1 to this Schedule 13D and incorporated herein in its entirety by reference.

As an inducement to IXYS' willingness to enter into the Merger Agreement, those stockholders of Clare listed on Schedule II attached hereto (the "Stockholders") entered into Voting Agreements and Proxies dated as of April 22, 2002 with IXYS. The Voting Agreements contractually bind the Stockholders to vote each of the shares of Clare capital stock beneficially owned by such Stockholders (the "Shares") (a) in favor of the approval of the merger agreement and the merger and each of the other actions contemplated by the merger agreement and any action in furtherance of any of the foregoing; (b) against any action or agreement that would result in a breach of any of Clare's representations, warranties, covenants or obligations under the merger agreement; (c) against (1) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving Clare or any subsidiary of Clare, (2) any sale, lease or transfer of a material amount of assets of Clare or any subsidiary of Clare, (3) any reorganization, recapitalization, dissolution or liquidation of Clare or any subsidiary of Clare, (4) any change in a majority of the board of directors of Clare, (5) any amendment to Clare's articles of organization or by-laws, (6) any material change in the capitalization of Clare or Clare's corporate structure, (7) any other action that is intended to, or that could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the merger or any of the transactions contemplated in the merger agreement; and (d) in the event certain "identified terminations" of the Merger Agreement occur prior to the termination of the Voting Agreement, against any proposal from a third party related to certain acquisitions of Clare or any of its subsidiaries or any related transaction or agreement or any action that is intended or could reasonably be expected to facilitate the consummation of certain transactions resulting in the acquisition of Clare or any of its subsidiaries by a third party, and to irrevocable proxies ("Proxies") whereby such stockholders have irrevocably appointed IXYS and certain directors of IXYS as such stockholder's lawful attorneys and proxies with respect to the matters described above.

The Stockholders may vote the Shares on all other matters submitted to the stockholders of Clare for their approval. The voting obligations under the Voting Agreements terminate upon the earlier to occur of the completion of the Merger or the date the Merger Agreement is validly terminated; however, if certain identified terminations occur, then the voting obligations will terminate 180 days after the termination of the Merger Agreement.

In addition, each Voting Agreement prohibits the Stockholder who signed that Voting Agreement from transferring any of the Shares or any voting rights with respect to any of the Shares, or any option to purchase shares of Clare common stock, owned by that Stockholder before the termination of the voting agreement, except to certain persons under certain conditions, and in particular, prohibits any such transfer unless each person to whom any shares or options are transferred agrees to be bound by all of the

terms and provisions of the voting agreement.

(c) Not applicable.

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(d) Upon the consummation of the Merger, the directors of Merger Sub immediately prior to the effective time of the Merger will become the directors of the Surviving Corporation, until their respective successors are duly elected or appointed and qualified. Upon consummation of the Merger, officers of Merger Sub immediately prior to the effective time of the Merger will become the initial officers of the Surviving Corporation, until their respective successors are duly appointed. IXYS will appoint each of the directors and officers of the Surviving Corporation.

(e) Upon consummation of the Merger, the number of outstanding shares of Clare Common Stock will be adjusted as contemplated by the Merger Agreement. The Merger Agreement contains certain provisions limiting the ability of Clare to issue dividends or make distributions with respect to shares of its capital stock.

(f) Upon consummation of the Merger, Clare will become a wholly-owned subsidiary of IXYS.

(g) The Merger Agreement contains provisions that limit the ability of Clare to engage in a transaction that would entail a change of control of Clare during the pendency of the Merger Agreement. Upon consummation of the Merger, the Articles of Organization of Clare will be amended and restated in their entirety to be identical to the Articles of Organization of Merger Sub, as in effect immediately prior to the effective time of the Merger (except that the name of Clare will remain Clare, Inc.). Upon consummation of the Merger, the By-Laws of Merger Sub, as in effect immediately prior to the Merger, will be, at the effective time of the Merger, the By-Laws of Clare.

(h) - (i) Upon consummation of the Merger, the Clare Common Stock will be deregistered under the Securities Exchange Act of 1934, as amended, and delisted from the Nasdaq National Market.

(j) Other than as described above, IXYS currently has no plan or proposal which relates to, or may result in, any of the matters listed in Items 4(a) - (i) of Schedule 13D (although IXYS reserves the right to develop such plans).

#### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) - (b) As a result of the Voting Agreements and the Proxies, IXYS has shared power to vote an aggregate of 530,679 shares of Clare Common Stock (based on 152,679 shares of Clare Common Stock that are subject to Voting Agreements and options to purchase an aggregate of 378,000 shares of Clare Common Stock held by the Stockholders, which options are exercisable by the appropriate Stockholder within 60 days of April 22, 2002 and are subject to the Voting Agreements) for the limited purpose of voting (a) in favor of the approval of the Merger Agreement and the Merger and each of the other actions contemplated by the Merger Agreement and any action in furtherance of any of the foregoing; (b) against any action or agreement that would result in a breach of any of Clare's representations,

warranties, covenants or obligations under the Merger Agreement; and (c) against (1) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving Clare or any subsidiary of Clare, (2) any sale, lease or transfer of a material amount of assets of Clare or any subsidiary of Clare, (3) any reorganization, recapitalization, dissolution or liquidation of Clare or any subsidiary of Clare, (4) any change in a majority of the board of directors of Clare, (5) any amendment to Clare's articles of organization or by-laws, (6) any material change in the capitalization of Clare or Clare's corporate structure, (7) any other action that is intended to, or that could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the Merger or any of the transactions contemplated in the Merger Agreement. Moreover, in the event certain "identified terminations" of the Merger Agreement occur prior to the termination of the Voting Agreements, IXYS has shared power to vote an aggregate of 530,679 shares of Clare Common Stock (based on 152,679 shares of Clare Common Stock that are subject to Voting Agreements and options to purchase an aggregate of 378,000 shares of Clare Common Stock held by the Stockholders, which options are exercisable by the appropriate Stockholder within 60 days of April 22, 2002 and are subject to the Voting Agreements) for the limited purpose of voting against any proposal from a third party related to certain acquisitions of Clare or any of its subsidiaries or any related transaction or agreement or any action that is intended or could reasonably be expected to facilitate the consummation of certain transactions resulting in the acquisition of Clare or any of its subsidiaries by a third party. The stockholders of Clare who are parties to the Voting Agreements and Proxies retained the right to vote their shares of Clare Common Stock on all matters other than those

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identified in the Voting Agreements. The shares and options covered by the Voting Agreements constitute approximately 5.2% of the issued and outstanding shares of Clare Common Stock as of April 22, 2002.

To IXYS' knowledge, no shares of Clare Common Stock are beneficially owned by any of the persons named in Schedule I to this Schedule 13D, except for such beneficial ownership, if any, arising solely from the Voting Agreements and Proxies and except for 6,000 shares of Clare Common Stock owned by Nathan Zommer.

Set forth in Schedule II to this Schedule 13D is the name of each Clare executive officer or director who executed a Voting Agreement and Irrevocable Proxy and the number of shares beneficially owned by each such person.

During the past five years, to IXYS's knowledge, no person named in Schedule II to this Schedule 13D has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the past five years, to IXYS's knowledge, no person named in Schedule II to this Schedule 13D was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activity subject to federal or state securities laws or finding any violation with respect to such laws. To IXYS' knowledge, all of the individuals listed on Schedule II to this 13D are citizens of the United States.



(c) Neither IXYS, nor to IXYS' knowledge, any person named in Schedule I to this Schedule 13D, has affected any transaction in Clare Common Stock during the past 60 days, except as disclosed herein.

(d) Not applicable.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Other than as described in Item 4 above, to IXYS' knowledge, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of Clare, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

<TABLE>

<CAPTION>

EXHIBIT NO.	DESCRIPTION
-------------	-------------

-----

<S>

<C>

2.1	Agreement and Plan of Merger and Reorganization, dated as of April 22, 2002, by and among IXYS Corporation, Teacup Acquisition Corp. and Clare, Inc. (Incorporated by reference to Exhibit 2.1 of the Form 8-K filed by IXYS on April 25, 2002.)
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2.2	Form of Clare Voting Agreement and Irrevocable Proxy, dated as of April 22, 2002, in substantially the form entered into between IXYS Corporation and each of the persons listed on Schedule II to this Schedule 13D.
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</TABLE>

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SIGNATURE

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

IXYS CORPORATION

Dated: May 2, 2002

By: /s/ Arnold P. Agbayani

-----  
Arnold P. Agbayani  
Senior Vice President, Finance  
and Chief Financial Officer

## SCHEDULE I

## EXECUTIVE OFFICERS AND EMPLOYEE DIRECTORS OF IXYS

&lt;TABLE&gt;

&lt;CAPTION&gt;

NAME	PRINCIPAL OCCUPATION OR EMPLOYMENT
----	-----
<S>	<C>
Nathan Zommer	Chairman of the Board, President and Chief Executive Officer and Director
Arnold P. Agbayani	Senior Vice President, Finance and Administration, Chief Financial Officer, Secretary and Director
Peter H. Ingram	Vice President of European Operations
Kevin McDonough	Vice President of U.S. Operations

&lt;/TABLE&gt;

All individuals named in the above table are employed by IXYS Corporation. The address of IXYS' principal executive office is 3540 Bassett Street, Santa Clara, California, 95054-2704.

SCHEDULE I (CONTINUED)  
NON-EMPLOYEE DIRECTORS OF IXYS

&lt;TABLE&gt;

&lt;CAPTION&gt;

NAME	PRINCIPAL OCCUPATION OR EMPLOYMENT	NAME AND ADDRESS OF ORGANIZATION IN WHICH EMPLOYED
-----	-----	-----
<S>	<C>	<C>
Donald L. Feucht	Retired	C/o IXYS Corporation 3540 Bassett Street Santa Clara, California 95054-2704
Andreas Hartmann	Assistant General Counsel and Vice President of ABB	Asea Brown Boveri Atkiengesellschaft ("ABB") Gottlieb-Daimler-Strasse 8 68165 Mannheim, Germany
Samuel Kory	Retired	C/o IXYS Corporation 3540 Bassett Street Santa Clara, California 95054-2704
S. Joon Lee	President of Omni Electronics	1190 South Bascom Ave. Suite 105 San Jose, California 95128

&lt;/TABLE&gt;

## SCHEDULE II

<TABLE>  
<CAPTION>

VOTING AGREEMENT STOCKHOLDER	NUMBER OF SHARES OF CLARE COMMON STOCK BENEFICIALLY OWNED*	PERCENTAGE OF OUTSTANDING SHARES OF CLARE COMMON STOCK AS OF APRIL 22, 2002
<S>	<C>	<C>
Winston R. Hindle	102,126	1.0%
Andrew E. Lietz	136,925	1.4%
James K. Sims	81,126	0.8%
John G. Turner	122,502	1.2%
Larry Mihalchik	50,000	0.5%
Harry Andersen	38,000	0.4%
TOTAL	530,679	5.2%

</TABLE>

\* Includes options to purchase an aggregate of 378,000 shares of Clare Common Stock, which options are exercisable within 60 days of April 22, 2002.

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EXHIBIT INDEX

<TABLE>  
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
2.1	Agreement and Plan of Merger and Reorganization, dated as of April 22, 2002, by and among IXYS Corporation, Teacup Acquisition Corp. and Clare, Inc. (Incorporated by reference to Exhibit 2.1 of the Form 8-K filed by IXYS on April 25, 2002.)
2.2	Form of Clare Voting Agreement and Irrevocable Proxy, dated as of April 22, 2002, in substantially the form entered into between IXYS Corporation and each of the persons listed on Schedule II to this Schedule 13D.

</TABLE>

## VOTING AGREEMENT

THIS VOTING AGREEMENT ("Agreement") is entered into as of April 22, 2002, by and between IXYS CORPORATION, a Delaware corporation ("Parent"), and \_\_\_\_\_ ("Stockholder").

## RECITALS

A. Stockholder is a holder of record and the "beneficial owner" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934) of certain shares of common stock of Clare, Inc., a Massachusetts corporation (the "Company").

B. Parent, its wholly-owned subsidiary, Teacup Acquisition Corp., a Massachusetts corporation ("Merger Sub"), and the Company are entering into an Agreement and Plan of Merger and Reorganization of even date herewith (the "Reorganization Agreement") which provides (subject to the conditions set forth therein) for the merger of Merger Sub into the Company (the "Merger").

C. In the Merger, the outstanding shares of common stock of the Company are to be converted into the right to receive shares of common stock of Parent.

D. In order to induce Parent to enter into the Reorganization Agreement, Stockholder is entering into this Agreement.

## AGREEMENT

The parties to this Agreement, intending to be legally bound, agree as follows:

## SECTION 1. CERTAIN DEFINITIONS

For purposes of this Agreement:

(a) The terms "COMPANY ACQUISITION PROPOSAL" and "COMPANY ACQUISITION TRANSACTION" shall have the respective meanings assigned to those terms in the Reorganization Agreement.

(b) "COMPANY COMMON STOCK" shall mean the common stock, par value \$.01 per share, of the Company.

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(c) An "IDENTIFIED TERMINATION" shall occur if:

(i) the Reorganization Agreement is terminated by Parent or the Company pursuant to Section 8.1(b) or Section 8.1(d) of the Reorganization Agreement at any time after a Company Acquisition Proposal has been disclosed, announced, commenced, submitted or made; or

(ii) the Reorganization Agreement is terminated by Parent pursuant to Section 8.1(f) of the Reorganization Agreement.

(d) Stockholder shall be deemed to "OWN" or to have acquired "OWNERSHIP" of a security if Stockholder: (i) is the record owner of such security; or (ii) is the "beneficial owner" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934) of such security.

(e) "PARENT COMMON STOCK" shall mean the common stock, par value \$.01 per share, of Parent.

(f) "PERSON" shall mean any (i) individual, (ii) corporation, limited liability company, partnership or other entity, or (iii) governmental authority.

(g) "SUBJECT SECURITIES" shall mean: (i) all securities of the Company (including all shares of Company Common Stock and all options, warrants and other rights to acquire shares of Company Common Stock) Owned by Stockholder as of the date of this Agreement; and (ii) all additional securities of the Company (including all additional shares of Company Common Stock and all additional options, warrants and other rights to acquire shares of Company Common Stock) of which Stockholder acquires Ownership during the period from the date of this Agreement through the Voting Covenant Expiration Date.

(h) A Person shall be deemed to have effected a "TRANSFER" of a security if such Person directly or indirectly: (i) offers, sells, pledges, encumbers, exchanges, grants an option with respect to, transfers or otherwise disposes of such security or any interest in such security to any Person other than Parent; (ii) enters into an agreement or commitment contemplating the possible sale of, pledge of, encumbrance of, exchange of, grant of an option with respect to, transfer of or other disposition of such security or any interest therein to any Person other than Parent; or (iii) reduces such Person's beneficial ownership of, interest in or risk relating to such security.

(i) "VOTING COVENANT EXPIRATION DATE" shall mean the earlier of the date upon which the Reorganization Agreement is validly terminated, or the date upon which the Merger is consummated; provided, however, that the "Voting Covenant Expiration Date" shall be the date 180 days following the date on which the Reorganization Agreement is validly terminated, if an Identified Termination occurs.

## SECTION 2. TRANSFER OF SUBJECT SECURITIES AND VOTING RIGHTS

2.1 RESTRICTION ON TRANSFER OF SUBJECT SECURITIES. Subject to Section 2.3, during the period from the date of this Agreement through the Voting Covenant Expiration Date, Stockholder shall not, directly or indirectly, cause or permit any Transfer of any of the Subject Securities to be effected.

2.2 RESTRICTION ON TRANSFER OF VOTING RIGHTS. During the period from the date of this Agreement through the Voting Covenant Expiration Date, Stockholder shall ensure that: (a) none of the Subject Securities is deposited into a voting trust; and (b) no proxy is granted, and no voting agreement or similar agreement is entered into, with respect to any of the Subject Securities, other than the Proxy contemplated by Section 3.3 hereof.

2.3 PERMITTED TRANSFERS. Section 2.1 shall not prohibit a transfer of Company Common Stock by Stockholder (i) to any member of his immediate family, or to a trust for the benefit of Stockholder or any member of his immediate family, (ii) upon the death of Stockholder, or (iii) if Stockholder is a partnership or limited liability company, to one or more partners or members of Stockholder or to an affiliated corporation under common control with Stockholder; provided, however, that a transfer referred to in this sentence shall be permitted only if, as a precondition to such transfer, the transferee agrees in a writing, reasonably satisfactory in form and substance to Parent, to be bound by the terms of this Agreement (including execution of a Proxy in the form attached hereto as Exhibit A).

### SECTION 3. VOTING OF SHARES

3.1 VOTING COVENANT PRIOR TO TERMINATION OF REORGANIZATION AGREEMENT. Stockholder hereby agrees that, prior to the earlier to occur of the valid termination of the Reorganization Agreement or the consummation of the Merger, at any meeting of the stockholders of the Company, however called, and in any written action by consent of stockholders of the Company, unless otherwise directed in writing by Parent, Stockholder shall cause the Subject Securities to be voted:

(a) in favor of the Merger, the execution and delivery by the Company of the Reorganization Agreement and the approval of the Reorganization Agreement and the terms thereof, in favor of each of the other actions contemplated by the Reorganization Agreement and in favor of any action in furtherance of any of the foregoing; and

(b) against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of the Company in the Reorganization Agreement; and

(c) against the following actions (other than the Merger and the transactions contemplated by the Reorganization Agreement): (A) any

extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any subsidiary of the Company; (B) any sale, lease or transfer of a material amount of assets of the Company or any subsidiary of the Company; (C) any reorganization, recapitalization, dissolution or liquidation of the Company or any subsidiary of the Company; (D) any change in a majority of the board of directors of the Company; (E) any amendment to the Company's articles of organization or by-laws; (F) any material change in the capitalization of the Company or the Company's corporate

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structure; and (G) any other action which is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage or adversely affect the Merger or any of the other transactions contemplated by the Reorganization Agreement or this Agreement.

Prior to the earlier to occur of the valid termination of the Reorganization Agreement or the consummation of the Merger, Stockholder shall not enter into any agreement or understanding with any Person to vote or give instructions in any manner inconsistent with clause "(a)", "(b)", or "(c)" of the preceding sentence.

3.2 VOTING COVENANT AFTER IDENTIFIED TERMINATION. If an Identified Termination occurs, then, prior to the Voting Covenant Expiration Date, at any meeting of the stockholders of the Company, however called, and in any written action by consent of stockholders of the Company, unless otherwise directed in writing by Parent, Stockholder shall cause the Subject Securities to be voted (i) against any Company Acquisition Proposal and any related transaction or agreement and (ii) against any action which is intended, or could reasonably be expected, to facilitate the consummation of any Company Acquisition Transaction. Stockholder shall not enter into any agreement or understanding with any Person prior to the Voting Covenant Expiration Date to vote or give instructions in any manner inconsistent with clause "(i)" or "(ii)" of the preceding sentence.

### 3.3 PROXY; FURTHER ASSURANCES.

(a) Contemporaneously with the execution of this Agreement: (i) Stockholder shall deliver to Parent a proxy in the form attached to this Agreement as Exhibit A, which shall be irrevocable to the fullest extent permitted by law (at all times prior to the Voting Covenant Expiration Date) with respect to the shares referred to therein (the "Proxy"); and (ii) Stockholder shall cause to be delivered to Parent an additional proxy (in the form attached hereto as Exhibit A) executed on behalf of the record owner of any outstanding shares of Company Common Stock that are owned beneficially (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934), but not of record, by Stockholder.

(b) Stockholder shall, at his or its own expense, perform such further acts and execute such further proxies and other documents and instruments as may reasonably be required to vest in Parent the power to carry out and give effect to the provisions of this Agreement.

#### SECTION 4. WAIVER OF APPRAISAL RIGHTS

Stockholder hereby irrevocably and unconditionally waives, and agrees to cause to be waived and to prevent the exercise of, any rights of appraisal, any dissenters' rights and any similar rights relating to the Merger or any related transaction that Stockholder or any other Person may have by virtue of any outstanding shares of Company Common Stock Owned by Stockholder.

#### SECTION 5. NO SOLICITATION

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Stockholder agrees that, during the period from the date of this Agreement through the Voting Covenant Expiration Date, Stockholder shall not, directly or indirectly, and Stockholder shall ensure that his or its Representatives (as defined in the Reorganization Agreement) do not, directly or indirectly: (i) solicit, initiate, encourage, induce or facilitate the making, submission or announcement of any Company Acquisition Proposal or take any action that could reasonably be expected to lead to a Company Acquisition Proposal; (ii) furnish any information regarding the Company or any subsidiary of the Company to any Person in connection with or in response to a Company Acquisition Proposal or an inquiry or indication of interest that could lead to a Company Acquisition Proposal; (iii) engage in discussions or negotiations with any Person with respect to any Company Acquisition Proposal; (iv) approve, endorse or recommend any Company Acquisition Proposal; or (v) enter into any letter of intent or similar document or any agreement or understanding contemplating or otherwise relating to any Company Acquisition Transaction. Stockholder shall immediately cease and discontinue, and Stockholder shall ensure that his or its Representatives immediately cease and discontinue, any existing discussions with any Person that relate to any Company Acquisition Proposal.

#### SECTION 6. REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER

Stockholder hereby represents and warrants to Parent as follows:

6.1 AUTHORIZATION, ETC. Stockholder has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and the Proxy and to perform his or its obligations hereunder and thereunder. This Agreement and the Proxy have been duly executed and delivered by Stockholder and constitute legal, valid and binding obligations of Stockholder, enforceable against Stockholder in accordance with their terms, subject to (i) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief



and other equitable remedies. If Stockholder is a general or limited partnership, then Stockholder is a partnership duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was organized. If Stockholder is a limited liability company, then Stockholder is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was organized.

## 6.2 NO CONFLICTS OR CONSENTS.

(a) The execution and delivery of this Agreement and the Proxy by Stockholder do not, and the performance of this Agreement and the Proxy by Stockholder will not: (i) conflict with or violate any law, rule, regulation, order, decree or judgment applicable to Stockholder or by which he or it or any of his or its properties is or may be bound or affected; or (ii) result in or constitute (with or without notice or lapse of time) any breach of or default under, or give to any other Person (with or without notice or lapse of time) any right of termination, amendment, acceleration or cancellation of, or result (with or without notice or lapse of time) in the creation of any encumbrance or restriction on any of the Subject Securities pursuant to, any contract to which Stockholder is a party or by which Stockholder or any of his or its affiliates or properties is or may be bound or affected.

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(b) The execution and delivery of this Agreement and the Proxy by Stockholder do not, and the performance of this Agreement and the Proxy by Stockholder will not, require any consent or approval of any Person.

6.3 TITLE TO SECURITIES. As of the date of this Agreement: (a) Stockholder holds of record (free and clear of any encumbrances or restrictions) the number of outstanding shares of Company Common Stock set forth under the heading "Shares Held of Record" on the signature page hereof; (b) Stockholder holds (free and clear of any encumbrances or restrictions) the options, warrants and other rights to acquire shares of Company Common Stock set forth under the heading "Options and Other Rights" on the signature page hereof; (c) Stockholder Owns the additional securities of the Company set forth under the heading "Additional Securities Beneficially Owned" on the signature page hereof; and (d) Stockholder does not directly or indirectly Own any shares of capital stock or other securities of the Company, or any option, warrant or other right to acquire (by purchase, conversion or otherwise) any shares of capital stock or other securities of the Company, other than the shares and options, warrants and other rights set forth on the signature page hereof.

6.4 ACCURACY OF REPRESENTATIONS. The representations and warranties contained in this Agreement are accurate in all respects as of the date of this Agreement, will be accurate in all respects at all times through the Voting Covenant Expiration Date and will be accurate in all respects as of the date of

the consummation of the Merger as if made on that date.

## SECTION 7. ADDITIONAL COVENANTS OF STOCKHOLDER

7.1 FURTHER ASSURANCES. From time to time and without additional consideration, Stockholder shall (at Stockholder's sole expense) execute and deliver, or cause to be executed and delivered, such additional transfers, assignments, endorsements, proxies, consents and other instruments, and shall (at Stockholder's sole expense) take such further actions, as Parent may request for the purpose of carrying out and furthering the intent of this Agreement.

7.2 LEGENDS. If requested by Parent, immediately after the execution of this Agreement (and from time to time upon the acquisition by Stockholder of Ownership of any shares of Company Common Stock prior to the Voting Covenant Expiration Date), Stockholder shall cause each certificate evidencing any outstanding shares of Company Common Stock or other securities of the Company Owned by Stockholder to be surrendered so that the transfer agent for such securities may affix thereto a legend in the following form:

THE SECURITY OR SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, PLEDGED, ENCUMBERED, EXCHANGED, GRANTED AN OPTION ON, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF A VOTING AGREEMENT DATED AS OF APRIL \_\_, 2002, AS IT MAY BE AMENDED, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE ISSUER.

## SECTION 8. MISCELLANEOUS

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8.1 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS. All representations, warranties, covenants and agreements made by Stockholder in this Agreement shall survive (i) the consummation of the Merger, (ii) any termination of the Reorganization Agreement, and (iii) the Voting Covenant Expiration Date.

8.2 EXPENSES. All costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses.

8.3 NOTICES. Any notice or other communication required or permitted to be delivered to either party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other party):

if to Stockholder:

at the address set forth on the signature page hereof; and

if to Parent:

IXYS Corporation  
3540 Bassett Street  
Santa Clara, CA  
Attn: Chief Financial Officer  
Fax: (408) 496-0670

8.4 SEVERABILITY. If any provision of this Agreement or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Agreement. Each provision of this Agreement is separable from every other provision of this Agreement, and each part of each provision of this Agreement is separable from every other part of such provision.

8.5 ENTIRE AGREEMENT. This Agreement, the Proxy and any other documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings between the parties with respect thereto. No addition to or modification of any provision of this Agreement shall be binding upon either party unless made in writing and signed by both parties.

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8.6 ASSIGNMENT; BINDING EFFECT. Except as provided herein, neither this Agreement nor any of the interests or obligations hereunder may be assigned or delegated by Stockholder, and any attempted or purported assignment or delegation of any of such interests or obligations shall be void. Subject to the preceding sentence, this Agreement shall be binding upon Stockholder and his heirs, estate, executors and personal representatives and his or its successors and assigns, and shall inure to the benefit of Parent and its successors and assigns. Without limiting any of the restrictions set forth in Section 2 or Section 7 or elsewhere in this Agreement, this Agreement shall be binding upon any Person to whom any Subject Securities are transferred. Nothing in this

Agreement is intended to confer on any Person (other than Parent and its successors and assigns) any rights or remedies of any nature.

8.7 INDEMNIFICATION. Stockholder shall hold harmless and indemnify Parent and Parent's affiliates from and against, and shall compensate and reimburse Parent and Parent's affiliates for, any loss, damage, claim, liability, fee (including reasonable attorneys' fees), demand, cost or expense (regardless of whether or not such loss, damage, claim, liability, fee, demand, cost or expense relates to a third-party claim) that is directly or indirectly suffered or incurred by Parent or any of Parent's affiliates, or to which Parent or any of Parent's affiliates otherwise becomes subject, and that arises directly or indirectly from, or relates directly or indirectly to, (a) any inaccuracy in or breach of any representation or warranty contained in this Agreement, or (b) any failure on the part of Stockholder to observe, perform or abide by, or any other breach of, any restriction, covenant, obligation or other provision contained in this Agreement or in the Proxy.

8.8 SPECIFIC PERFORMANCE. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement or the Proxy were not performed in accordance with its specific terms or were otherwise breached. Stockholder agrees that, in the event of any breach or threatened breach by Stockholder of any covenant or obligation contained in this Agreement or in the Proxy, Parent shall be entitled (in addition to any other remedy that may be available to it, including monetary damages) to seek and obtain (a) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (b) an injunction restraining such breach or threatened breach. Stockholder further agrees that neither Parent nor any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 8.8, and Stockholder irrevocably waives any right he or it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

8.9 NON-EXCLUSIVITY. The rights and remedies of Parent under this Agreement are not exclusive of or limited by any other rights or remedies which it may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of Parent under this Agreement, and the obligations and liabilities of Stockholder under this Agreement, are in addition to their respective rights, remedies, obligations and liabilities under common law requirements and under all applicable statutes, rules and regulations. Nothing in this Agreement shall limit any of Stockholder's obligations, or the rights or remedies of Parent, under any Affiliate Agreement between Parent and Stockholder; and nothing in any such Affiliate Agreement shall limit any of Stockholder's obligations, or any of the rights or remedies of Parent, under this Agreement.

8.10 GOVERNING LAW; VENUE.

(a) This Agreement and the Proxy shall be construed in accordance with, and governed in all respects by, the laws of the State of Delaware (without giving effect to principles of conflicts of laws).

(b) Any legal action or other legal proceeding relating to this Agreement or the Proxy or the enforcement of any provision of this Agreement or the Proxy may be brought or otherwise commenced in any state or federal court located in the State of California. Stockholder:

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the State of California in connection with any such legal proceeding;

(ii) agrees that service of any process, summons, notice or document by U.S. mail addressed to him or it at the address set forth on the signature page hereof shall constitute effective service of such process, summons, notice or document for purposes of any such legal proceeding;

(iii) agrees that each state and federal court located in the State of California shall be deemed to be a convenient forum; and

(iv) agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in any state or federal court located in the State of California, any claim that Stockholder is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

Nothing contained in this Section 8.10 shall be deemed to limit or otherwise affect the right of Parent to commence any legal proceeding or otherwise proceed against Stockholder in any other forum or jurisdiction.

(c) STOCKHOLDER IRREVOCABLY WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LEGAL PROCEEDING RELATING TO THIS AGREEMENT OR THE PROXY OR THE ENFORCEMENT OF ANY PROVISION OF THIS AGREEMENT OR THE PROXY.

8.11 COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

8.12 CAPTIONS. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

8.13 ATTORNEYS' FEES. If any legal action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against Stockholder, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

8.14 WAIVER. No failure on the part of Parent to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of Parent in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. Parent shall not be deemed to have waived any claim available to Parent arising out of this Agreement, or any power, right, privilege or remedy of Parent under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of Parent; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

8.15 CONSTRUCTION.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include masculine and feminine genders.

(b) The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

IN WITNESS WHEREOF, Parent and Stockholder have caused this Agreement to be executed as of the date first written above.

IXYS CORPORATION

By: \_\_\_\_\_

STOCKHOLDER

\_\_\_\_\_  
Name:

Address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_

Shares Held of Record	Options and Other Rights	Additional Securities Beneficially Owned
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EXHIBIT A

FORM OF IRREVOCABLE PROXY

The undersigned stockholder (the "Stockholder") of CLARE, INC., a Massachusetts corporation (the "Company"), hereby irrevocably (to the fullest extent permitted by law) appoints and constitutes NATHAN ZOMMER, ARNOLD AGBAYANI and IXYS CORPORATION, a Delaware corporation ("Parent"), and each of them, the attorneys and proxies of the Stockholder with full power of substitution and resubstitution, to the full extent of the Stockholder's rights with respect to (i) the outstanding shares of capital stock of the Company owned of record by the Stockholder as of the date of this proxy, which shares are specified on the final page of this proxy, and (ii) any and all other shares of capital stock of the Company which the Stockholder may acquire on or after the date hereof. (The shares of the capital stock of the Company referred to in clauses "(i)" and "(ii)" of the immediately preceding sentence are collectively referred to as the "Shares.") Upon the execution hereof, all prior proxies given by the Stockholder with respect to any of the Shares are hereby revoked, and the Stockholder agrees that no subsequent proxies will be given with respect to any of the Shares.

This proxy is irrevocable, is coupled with an interest and is granted in

connection with the Voting Agreement, dated as of the date hereof, between Parent and the Stockholder (the "Voting Agreement"), and is granted in consideration of Parent entering into the Agreement and Plan of Merger and Reorganization, dated as of the date hereof, among Parent, Teacup Acquisition Corp. and the Company (the "Reorganization Agreement"). This proxy will terminate on the Voting Covenant Expiration Date (as defined in the Voting Agreement).

The attorneys and proxies named above will be empowered, and may exercise this proxy, to vote the Shares at any time until the earlier to occur of the valid termination of the Reorganization Agreement or the effective time of the merger contemplated thereby (the "Merger") at any meeting of the stockholders of the Company, however called, and in connection with any written action by consent of stockholders of the Company:

(i) in favor of the Merger, the execution and delivery by the Company of the Reorganization Agreement and the approval of the Reorganization Agreement and the terms thereof, in favor of each of the other actions contemplated by the Reorganization Agreement and in favor of any action in furtherance of any of the foregoing; and

(ii) against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of the Company in the Reorganization Agreement; and

(iii) against the following actions (other than the Merger and the other transactions contemplated by the Reorganization Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any subsidiary of the Company; (B) any sale, lease or transfer of a material amount of assets of the Company or any subsidiary of the Company; (C) any reorganization, recapitalization, dissolution or liquidation of the Company or any subsidiary of the Company; (D) any change in a majority of the board of directors of the Company; (E) any amendment to the Company's articles of organization or by-laws; (F)

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any material change in the capitalization of the Company or the Company's corporate structure; and (G) any other action which is intended, or could reasonably be expected to impede, interfere with, delay, postpone, discourage or adversely affect the Merger or any of the other transactions contemplated by the Reorganization Agreement.

If an Identified Termination (as defined in the Voting Agreement) occurs, then, during the 180-day period commencing on the date of such Identified Termination, at any meeting of the stockholders of the Company, however called, and in connection with any written action by consent of stockholders of the



Company, the attorneys and proxies named above will be empowered, and may exercise this proxy, to vote the Shares in their discretion against or otherwise with respect to (i) any Company Acquisition Proposal (as defined in the Voting Agreement) and any related transaction or agreement and (ii) any action which is intended, or could reasonably be expected, to facilitate the consummation of any Company Acquisition Transaction (as defined in the Voting Agreement).

The Stockholder may vote the Shares on all other matters not referred to in this proxy, and the attorneys and proxies named above may not exercise this proxy with respect to such other matters.

This proxy shall be binding upon the heirs, estate, executors, personal representatives, successors and assigns of the Stockholder (including any transferee of any of the Shares).

If any provision of this proxy or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this proxy. Each provision of this proxy is separable from every other provision of this proxy, and each part of each provision of this proxy is separable from every other part of such provision.

Dated: April \_\_, 2002

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Name

Number of shares of common stock of the Company owned of record as of the date of this proxy:

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