SEMTECH CORP
Form DEF 14A
May 04, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12

SEMTECH CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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2018 Notice of Annual Meeting and

Proxy Statement

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Semtech Corporation

200 Flynn Road

Camarillo, California 93012

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 14, 2018

To Our Stockholders:

Notice is hereby given that the 2018 Annual Meeting of Stockholders of Semtech Corporation (the Company) will be held at the Courtyard Marriott, 4994 Verdugo Way, Camarillo, California 93012 on Thursday, June 14, 2018 at 11:00 a.m., Pacific Time. The purposes of the meeting are to:

1. elect eight directors from the candidates nominated by the Company s Board of Directors to hold office until the next annual meeting or until their respective successors are duly elected and qualified;

2. consider and act on a proposal to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for fiscal year 2019;

3. consider an advisory resolution to approve executive compensation;

4. transact any other business which may properly come before the 2018 Annual Meeting of Stockholders or any adjournments or postponements thereof.

The record date for the determination of the stockholders entitled to notice of and to vote at the 2018 Annual Meeting of Stockholders was the close of business on April 20, 2018. Holders of a majority of the outstanding shares of the Company s common stock as of the record date must be present in person or by proxy in order for the meeting to be held.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 14, 2018: *Our Proxy Statement is attached. Our financial and other information is contained in our Annual Report to Stockholders for fiscal year 2018. Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. You will not receive a printed copy of the proxy materials unless specifically requested. This Proxy Statement and our Annual Report to Stockholders for fiscal year 2018, including our Form 10-K for the fiscal year ended January 28, 2018, are available at http://investors.semtech.com/ar2018 which does not have cookies* *that identify visitors to the site. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials. In addition, the Notice of Internet Availability of Proxy Materials provides instructions on how stockholders may request to receive proxy materials for future annual meetings in printed or email form.*

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the 2018 Annual Meeting of Stockholders, we urge you to vote and submit your proxy by the Internet, telephone or mail using the instructions on the Notice of Internet Availability of Proxy Materials, or your proxy card in order to ensure the presence of a quorum.

Any proxy may be revoked by delivery of a later dated proxy or a written notice of revocation or by attending the Annual Meeting and voting in person.

By Order of the Board of Directors

Charles B. Ammann

Secretary

May 4, 2018

Camarillo, California

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ATTENDING THE 2018 ANNUAL MEETING OF STOCKHOLDERS

For stockholders of record, the Notice of Internet Availability of Proxy Materials is your ticket to the 2018 Annual Meeting of Stockholders. Please present your ticket together with picture identification when you reach the registration area at the 2018 Annual Meeting of Stockholders.

For stockholders who hold shares through a brokerage firm, bank or other holder of record, please use a copy of your latest account statement showing your investment in our common shares as of the record date as your admission ticket for the meeting. Please present your account statement together with picture identification to one of our representatives at the 2018 Annual Meeting of Stockholders. Please note that you cannot vote your shares at the 2018 Annual Meeting of Stockholders unless you have obtained a legal proxy from your broker, bank or other stockholder of record. A copy of your account statement is not sufficient for this purpose.

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SEMTECH CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

June 14, 2018

PROXY STATEMENT

The Board of Directors (Board) of Semtech Corporation (the Company, we, us or our), 200 Flynn Road, Camari California, 93012, furnishes this proxy statement (this Proxy Statement) in connection with its solicitation of proxies to be voted at the 2018 Annual Meeting of Stockholders to be held at the Courtyard Marriott, 4994 Verdugo Way, Camarillo, California 93012 on Thursday, June 14, 2018 at 11:00 a.m., Pacific Time, or at any adjournments or postponements thereof (the Annual Meeting).

We first made this Proxy Statement and the accompanying Notice of Annual Meeting of Stockholders and proxy card available to stockholders on or about May 4, 2018. The Company s Annual Report on Form 10-K for fiscal year 2018 (Annual Report), including financial statements for the fiscal year ended January 28, 2018, is being made available to stockholders concurrently with this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material.

What am I voting on and what are the Board s recommendations?

Number	Proposal	Board s Recommendation
1	To elect eight directors to hold office until the next annual meeting of stockholders or until their successors are duly elected and qualified. The nominees are: Mr. James P. Burra Mr. Bruce C. Edwards Mr. Rockell N. Hankin Ms. Ye Jane Li Mr. James T. Lindstrom Mr. Mohan R. Maheswaran Dr. Carmelo J. Santoro Ms. Sylvia Summers	**For** the election of each of the nominees
2	To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for fiscal year 2019.	**For** ratification for fiscal year 2019
3	To adopt an advisory resolution to approve executive compensation.	**For** the approval of our executive compensation

We will also consider any other business that properly comes before the Annual Meeting or any adjournments or postponements thereof. See How will voting on any other business be conducted? below.

Why did I receive a Notice of Internet Availability of Proxy Materials in the mail instead of a full set of proxy materials?

We are using the Securities and Exchange Commission (SEC) rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (Notice) instead of a printed copy of this Proxy Statement and our Annual Report. The Notice contains instructions on how stockholders can access those documents over the Internet and vote their shares. The Notice also contains instructions on how stockholders can receive a printed copy of our proxy materials, including this Proxy Statement, our Annual Report and a proxy card or voting

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PROXY STATEMENT

instruction form. In addition, the Notice provides instructions on how stockholders may request to receive proxy materials for future annual meetings in printed or email form. We believe this process will expedite stockholders receipt of proxy materials, lower the costs of our Annual Meeting and conserve natural resources.

Who is entitled to vote?

Stockholders as of the close of business on April 20, 2018 (the Record Date) are entitled to vote and are entitled to attend the Annual Meeting. Each stockholder is entitled to one vote for each share of common stock held on the Record Date. Stockholders are not entitled to cumulative voting rights in the election of directors.

Who are the largest principal stockholders?

See Beneficial Ownership of Securities elsewhere in this Proxy Statement for a table setting forth each owner of greater than 5% of the Company s common stock as of April 20, 2018.

What percentages of stock do the directors and officers own?

Together, they own about 2.3% of the Company s common stock as of April 20, 2018. For information regarding the ownership of our common stock by management, see the section entitled Beneficial Ownership of Securities elsewhere in this Proxy Statement.

What does it mean if I get more than one proxy card?

It means that you hold shares registered in more than one account. You must return all proxies to ensure that all of your shares are voted.

How do I vote?

Record holders: Stockholders may vote using the Internet, by telephone, in person at the Annual Meeting, or by proxy via the proxy card as instructed on the proxy card if you requested and received printed copies of the proxy materials by mail. If you will be returning your vote by use of the proxy card, indicate your voting preferences on the proxy card, sign and date it, and return it in the prepaid envelope provided with this Proxy Statement. If you return a signed proxy card but do not indicate your voting preferences, the proxies named in your proxy card will vote FOR the election of each of the director nominees (Proposal Number 1), the ratification of the appointment of the independent registered public accounting firm (Proposal Number 2), and the advisory resolution to approve executive compensation (Proposal Number 3) on your behalf as recommended by the Board on those proposals; and as the proxy holders may determine in their discretion with respect to any other matters properly presented for vote at the Annual Meeting. You have the right to revoke your proxy any time before the meeting by (1) notifying the Company s Secretary, or (2) returning a later-dated proxy. You may also revoke your proxy by voting in person at the Annual Meeting although the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. Instructions for voting by using the Internet or by telephone are set forth in the Notice and/or on the proxy card.

If you hold Semtech shares in street name : Your broker, bank or other nominee will ask for your instructions, generally by means of a voting instruction form. If you do not provide voting instructions to your broker or other nominee, your shares will not be voted on any proposal on which your broker or other nominee does not have discretionary authority to vote. Please note that brokers do not have discretionary authority to vote on the election of directors (Proposal Number 1), or the advisory resolution to approve executive compensation (Proposal Number 3). Consequently, without your voting instructions, your brokerage firm cannot vote your shares with respect to Proposals Number 1 or 3. However, brokers do have discretionary authority to vote on the ratification of the appointment of the independent registered public accounting firm (Proposal Number 2). Therefore, your broker will be able to vote your shares with respect to Proposal Number 2 even if it does not receive instructions from you, so long as it holds your shares in its name. If you wish to vote in person at the Annual Meeting, please use a copy of your latest account statement showing your investment in our common shares as of the Record Date as your admission ticket for the meeting. Please present your account statement together with picture identification to one of our representatives at the Annual Meeting. Please note that you cannot vote your shares at the Annual Meeting unless you have obtained a legal proxy from your broker, bank or other stockholder of record. A copy of your account statement is not sufficient for this purpose.

How are the votes counted?

A broker non-vote occurs when a bank, broker or other record holder of the Company s shares does not vote on a proposal because it does not have discretionary voting authority and it has not received instructions from the beneficial owner on how to vote on the proposal. Abstentions and broker non-votes will not be counted in determining the outcome of the election of directors (Proposal Number 1) since the election of directors is based on the votes actually cast. Withheld votes will be considered for purposes of the Company s Majority Withheld Vote policy discussed below. Abstentions will have the same effect as negative votes on the ratification of the appointment of the independent registered public accounting firm (Proposal Number 2), and the advisory resolution to approve executive compensation (Proposal Number 3) because they represent votes that are present, but not cast. Proposal Number 2 is considered to be a routine matter and, accordingly, if you do not instruct your broker, bank or other nominee on how to vote the shares in your account for Proposal Number 2, brokers will be permitted to exercise their discretionary authority to vote for the ratification of the appointment of the independent registered public accounting firm and, therefore, there will be no broker non-votes for Proposal Number 2. Although broker non-votes are considered present for quorum purposes, they are not considered entitled to vote, and so will not be counted in determining the outcome of Proposal Number 3.

What constitutes a quorum?

As of the Record Date, 66,031,922 shares of the Company s common stock were issued and outstanding. The presence, either in person or by proxy, of the holders of a majority of these outstanding shares is necessary to constitute a quorum for the Annual Meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum.

How many votes are needed for approval of each item?

Proposal Number 1. Under the Company s Bylaws, director nominees will be elected by a plurality of the votes cast in person or by proxy. Thus, for Proposal Number 1, the eight nominees who receive the most votes cast will be elected as directors. Stockholders are not entitled to cumulative voting with respect to the election of directors.

However, as described below, and as set forth in the Company s Corporate Governance Guidelines, available under the Investors section at the Company s website www.semtech.com, the Company has adopted a majority voting policy (Majority Withheld Vote) for uncontested elections of the Board of Directors (elections where the only nominees are those recommended by the Board of Directors). Withheld votes will be considered for purposes of the Majority Withheld Vote.

Under this policy, in an uncontested election of directors, any nominee for director who receives a greater number of votes withheld from his or her election than votes for his or her election by stockholders present in person or by proxy at an annual or special meeting of the stockholders and entitled to vote will tender a written offer to resign from the Board. Such offer to resign will be tendered within five business days following the certification of the stockholder vote by the inspector of elections.

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The Company s Nominating and Governance Committee will promptly consider the resignation offer and recommend to the full Board whether to accept it.

To the extent that a director s resignation is accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

The Board will act on the Nominating and Governance Committee s recommendation within 90 days following the certification of the stockholder vote by the inspector of elections, which action may include, without limitation, acceptance of the offer of resignation, adoption of measures intended to address the perceived issues underlying the Majority Withheld Vote, or rejection of the resignation offer. Thereafter, the Board will disclose its decision whether to accept the director s resignation offer and the reasons for rejecting the offer, if applicable, in a Current Report on Form 8-K to be filed with the SEC within four business days of the Board s determination.

The Board believes that this process enhances accountability to stockholders and responsiveness to stockholders votes, while allowing the Board appropriate discretion in considering whether a particular director s resignation would be in the best interests of the Company and its stockholders.

Proposals Number 2 and 3. Our Bylaws require that each of the other items to be submitted for a vote of stockholders at the Annual Meeting receive the affirmative vote of a majority of the shares of our common stock present or represented by proxy and entitled to vote at the Annual Meeting.

Notwithstanding the vote required by our Bylaws, please be advised that the ratification of the appointment of the independent registered public accounting firm (Proposal Number 2), and the advisory resolution to approve executive compensation (Proposal Number 3) are advisory only and are not binding on us. Our Board will consider the outcome of the vote on each of these proposals in considering what action, if any, should be taken in response to the advisory vote by stockholders.

How will voting on any other business be conducted?

Although the Board does not know of any business to be considered at the Annual Meeting other than the items described in this Proxy Statement, if any other business properly comes before the Annual Meeting, a stockholder s properly submitted proxy gives authority to the proxy holder to vote on those matters in his or her discretion.

What happens if the Annual Meeting is postponed or adjourned?

Your proxy may be voted at the postponed or adjourned Annual Meeting. You will still be able to change your proxy until it is voted.

Who will count the vote?

Computershare Trust Company, N.A. will tabulate the votes and act as inspector of election at the Annual Meeting.

Who pays for the cost of this proxy solicitation?

The Company pays for the cost of soliciting proxies on behalf of the Board. The Company also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding proxy material to beneficial owners. Proxies may be solicited by mail, telephone, other electronic means, or in person. Proxies may be solicited by directors, officers and regular, full-time employees of the Company, none of whom will receive any additional compensation for their services.

How can I obtain a copy of the Company s Annual Report?

We will promptly provide, on written or oral request and without charge, a copy of the Company s Annual Report, including financial statements and financial statement schedules, to any person whose proxy is solicited or any beneficial owner of our common stock. Requests should be directed to Semtech Corporation, Attn: Secretary, 200 Flynn Road, Camarillo, California 93012, telephone (805) 498-2111.

Copies of the Company s SEC filings are also available under the Investors section of the Company s website at www.semtech.com. Any stockholder desiring additional proxy materials or a copy of the Company s Bylaws should similarly contact the Company s Secretary.

How many copies of the Notice, this Proxy Statement and the Annual Report will I receive if I share my mailing address with another security holder?

Unless we have been instructed otherwise, we are delivering only one Notice, and for stockholders of record who have requested and received printed copies of the proxy materials by mail, we are delivering only one Proxy Statement and Annual Report, to multiple security holders sharing the same address. This is commonly referred to as householding. We will, however, deliver promptly a separate copy of the Notice, or this Proxy Statement and the Annual Report, as applicable, to a security holder at a shared address to which a single copy of the Notice, or this Proxy Statement and the Annual Report, as applicable, was delivered, on written or oral request. Requests for copies of the Notice, or this Proxy Statement and the Annual Report, as applicable, or requests to cease householding in the future should be directed to Semtech Corporation, Attn: Secretary, 200 Flynn Road, Camarillo, California 93012, telephone (805) 498-2111. If you share an address with another stockholder and wish to receive a single copy of the Notice, or this Proxy Statement and the Annual Report, as applicable, instead of multiple copies, you may direct this request to us at the address or telephone number listed above. Stockholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer or other similar organization to request information about householding.

Where can I find the voting results of the Annual Meeting?

Our intention is to announce the preliminary voting results at the Annual Meeting and to publish the final results within four business days after the Annual Meeting in a Current Report on Form 8-K to be filed with the SEC and which we will make available on our website at www.semtech.com under Investors.

Where can I find general information about the Company?

General information about us can be found on our website at www.semtech.com. The information on our website is for informational purposes only and should not be relied on for investment purposes. The information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this or any other report that we file with the SEC. We make available free of charge, either by direct access on our website or a link to the SEC s website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. Our reports filed with, or furnished to, the SEC are also available directly at the SEC s website at www.sec.gov.

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PROXY STATEMENT

Special Note

Regarding Forward-Looking and Cautionary Statements

This Notice of Annual Meeting of Stockholders and Proxy Statement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended, based on our current expectations, estimates and projections about our operations, industry, financial condition, performance, operating results, and liquidity. Forward-looking statements are statements other than historical information or statements of current condition and relate to matters such as future financial performance, future operational performance, the anticipated impact of specific items on future earnings, and our plans, objectives and expectations. Statements containing words such as may, believe, anticipate, expect, intend, plan, project, estimate, should, will, designed to, projections, or business outlook, or other similar expressions constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and events to differ materially from those projected. Potential factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: fluctuation in the Company s future results; downturns in the business cycle; decreased average selling prices of the Company s products; reduced demand for the Company s products due to global economic conditions; changes in U.S. and global social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment, including potential increases on tariffs of goods imported into the U.S.; business interruptions; the Company s reliance on a limited number of suppliers and subcontractors for component and materials; potentially insufficient liability insurance if the Company s products are found to be defective; obsolete inventories as a result of changes in demand and change in life cycles for the Company s products; the Company may be unsuccessful in developing and selling new products; the Company s products having to undergo a lengthy and expensive qualification process without any assurance of product sales; the Company s products failing to meet industry standards; the Company s inability to protect intellectual property rights; the Company suffering losses if its products infringe the intellectual property rights of others; the Company s need to commit resources to product production prior to receipt of purchase commitments; increased business risk from foreign customers; the Company s foreign currency exposures; potential increased tax liabilities and effective tax rate if the Company needs to repatriate funds held by foreign subsidiaries; export restrictions and laws affecting the Company s trade and investments; competition against larger, more established entities; increased competition due to industry consolidation; the loss of any one of the Company s significant customers; volatility of customer demand; termination of a contract by a distributor; the Company s inability to effectively control the sales of its products on the gray market; the Company s failure to maintain effective internal control over financial reporting and disclosure controls and procedures; government regulations and other standards that impose operational and reporting requirements; the Company s failure to comply with applicable environmental regulations; compliance with conflict minerals regulations; increase in the Company s cost of doing business as a result of having to comply with the codes of conduct of certain of the Company s customers and suppliers; volatility of the Company s effective tax rate; changes in tax laws and review by taxing authorities; taxation of the Company in other jurisdictions; the Company s limited experience with government contracting; potential government investigations and inquiries; loss of the Company s key personnel; risks associated with companies the Company has acquired in the past and may acquire in the future and the Company s ability to successfully integrate acquired businesses and benefit from expected synergies; the Company may be required to recognize additional impairment charges; losses in the value of investments in entities we do not control; the receipt of inaccurate, incomplete or untimely financial information from entities in which we have an interest for which we are required to consolidate; the Company may be adversely *affected by new accounting pronouncements; the Company s ability to generate cash to service its debt obligations; restrictive covenants in the Company s credit agreement which may restrict its ability to pursue its business strategies; the Company s reliance on certain critical information systems for the operation of its business; costs associated with the Company s indemnification of certain customers, distributors and other parties; the Company s common stock price could be subject to extreme price fluctuations; the impact on the Company s common stock price if securities or industry analysts do not publish reports about the Company s*

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business or adversely change their recommendations regarding the Company s common stock; anti-takeover provisions in the Company s organizational documents could make an acquisition of the Company more difficult; the Company is subject to litigation risks which may be costly to defend. In light of the significant risks and uncertainties inherent in the forward-looking information included herein that may cause actual performance and results to differ materially from those predicted, any such forward-looking information should not be regarded as representations or guarantees by the Company of future performance or results, or that its objectives or plans will be achieved, or that any of its operating expectations or financial forecasts will be realized. Reported results should not be considered an indication of future performance. Investors are cautioned not to place undue reliance on any forward-looking information contained herein, which reflect management s analysis only as of the date hereof. Except as required by law, the Company assumes no obligation to publicly release the results of any update or revision to any forward-looking statement that may be made to reflect new information, events or circumstances after the date hereof or to reflect the occurrence of unanticipated or future events, or otherwise.

In addition to regarding forward-looking statements with caution, you should consider that the preparation of the consolidated financial statements requires us to draw conclusions and make interpretations, judgments, assumptions and estimates with respect to certain factual, legal, and accounting matters. Our consolidated financial statements might have been materially impacted if we had reached different conclusions or made different interpretations, judgments, assumptions or estimates.

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ELECTION OF DIRECTORS

(Proposal Number 1)

Eight directors are to be elected at the Annual Meeting, each to serve until the following annual meeting of stockholders or until a successor is elected and qualified. As previously announced, Glen M. Antle had notified the Board on March 15, 2018 that he will not stand for re-election at the Annual Meeting. The Board has voted to reduce its size from nine to eight directors effective immediately before the Annual Meeting. All of the nominees were elected to their present terms of office by the stockholders. All of the nominees have consented to be named as nominees, and have indicated their intent to serve if elected. Unless a stockholder directs otherwise in its proxy card, it is intended that the proxies solicited by management will be voted for the election of the nominees listed in the following table. If any nominee should refuse or be unable to serve, the proxies named in the proxy card will vote the shares for such other person, if any, as shall be designated by the Board.

The Board recommends a vote FOR the election of each of the nominees listed below

Rockell N. Hankin

Age 71

Director since 1988

Chairman of the Board since 2006

Nominating & Governance Committee Chair

Private investor from January 2006 to date. Chief Executive Officer and Principal, Hankin & Co., a diversified business advisory and investment banking firm from June 1986 through December 2005. Chairman of the Board of the Kavli Foundation.

Mr. Hankin has spoken on corporate governance issues including at the Duke Capital Markets Director s Education Institute, UCLA s Director Certification Program, the University of Maryland Directors Institute and various other corporate governance programs.

Qualifications: Mr. Hankin s qualifications to serve as a member of the Board include his 29 years of experience as Director of the Company which we believe provides our Board with specific expertise and insight into our business, his experience as a former chairman or a former director of other public and private companies and his advisory and corporate governance expertise.

James P. Burra

Age 75

Director since 1991

Vice Chairman of the Board since 2007

Audit Committee

Nominating and Governance Committee

Chief Executive Officer and majority owner of Endural, LLC, a private company and manufacturer of a proprietary line of vacuum formed, high density polyethylene containers, since October 2006 and Chief Executive Officer of predecessors since 1989. Mr. Burra previously served as Chief Financial Officer of Intercole, Inc., a public multi-industry industrial products company and as a senior audit manager with Arthur Andersen & Co.

Former director of Earl Scheib, Inc. from 2007 to 2010, a former public company and operator of retail automobile paint and body shops. Former director of Hoover Group, Inc., former parent company of Endural LLC, from 1998 to 2006.

Qualifications: Mr. Burra s qualifications to serve as a member of the Board include his 26 years of experience as Director of the Company, his senior executive management experience as a Chief Financial Officer as well as Chief Executive Officer, his experience in public company finance and accounting, and his experience as a director of other public companies.

Bruce C. Edwards

Age 64

Director since 2006

Compensation Committee Chair

Chief Executive Officer of Palagon Partners, LLC, a business advisory group, since November 2007. Executive Chairman of Powerwave Technologies, Inc. (Powerwave), a leading supplier of antenna systems, base station subsystems and coverage solutions to the wireless communications industry, from February 2005 through November 2007. Chief Executive Officer of Powerwave from February 1996 through February 2005. Previously held executive and financial positions at AST Research, Inc., a personal computer company, AMDAX Corporation, a manufacturer of radio frequency modems, and public accounting firm Arthur Andersen and Co.

Director of Lantronix, Inc., a public company and global supplier of smart M2M connectivity solutions since November 2012. Chairman of the Board of Emulex Corporation, a public company and global provider of advanced storage networking infrastructure solutions from February 2014 until May 2015 and director since May 2000. In May 2015 Emulex was acquired by Avago Technologies.

Qualifications: Mr. Edward s qualifications to serve as a member of the Board include senior executive management, accounting and financial experience at publicly-traded technology companies which we believe provides our Board with valuable executive-level insights and his experience as a director of other public companies.

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ELECTION OF DIRECTORS (Proposal Number 1)

Ye Jane Li

Age 50

Director since 2016

Compensation Committee

Strategic Advisor, Diversis Capital, LLC, a private equity firm that invests in middle-market companies, since 2013. Chief Operating Officer, Huawei Enterprise USA, Inc., a company that markets IT products and solutions to datacenters and enterprises from 2012 to 2015. Previously, General Manager at Huawei Symantec USA, Inc. from 2010 to 2012. Consultant in 2009 to The Gores Group, a private equity firm focusing on the technology sector. Executive Vice President and General Manager at Fujitsu Compound Semiconductor Inc. and its Joint Venture with Sumitomo Electric Industries, Ltd., Eudyna Devices Inc., from 2004 to 2009. Prior to 2004, held executive and management positions with NeoPhotonics Corporation, Novalux Inc. and Corning Incorporated.

Director of Knowles Corporation since February 2018, a public company and leading supplier of advanced micro-acoustic, audio processing, and precision device solutions. Director of ServicePower since July 2017, a company that provides mobile workforce management software solutions. Director of Women in Cable TV and Telecommunications from 1998 to 2001, a non-profit organization promoting women s leadership in Cable TV and Telecommunications industries.

Qualifications: Ms. Li s qualifications to serve as a member of the Board include her senior executive level experience in a wide range of technology companies from telecommunication components and systems, to semiconductor to IT and datacenters representing a variety of market segments Semtech serves, as well as her experience as a director of private and public companies. Her background and experience also provides the board with invaluable insights into Asian markets, which are important strategic markets for us.

James T. Lindstrom

Age 72

Director since 2002

Audit Committee Chair

Former Chief Operating Officer of Kilopass Technology, Inc., a semiconductor intellectual property company, from April 2015 through November 2016. Former Chief Financial Officer of Kilopass from January 2012 through November 2013. Chief Financial Officer of eSilicon Corporation from March 2005 to February 2011. eSilicon Corporation provides ASIC design, productization and manufacturing services to the semiconductor industry.

Previously held executive financial positions at Trident Microsystems, Inc., ECAD, Inc., now Cadence Design Systems, C-Cube Microsystems, Inc., FormFactor, Inc., Silicon Perspective Corporation and Fairchild Camera and Instrument Corporation.

Qualifications: Mr. Lindstrom s qualifications to serve as a member of the Board include his senior financial executive experience at public and private companies in the semiconductor industry and his experience as a director of a company in the semiconductor industry, which we believe provides our Board with a deep understanding of our industry and business.

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ELECTION OF DIRECTORS (Proposal Number 1)

Mohan R. Maheswaran

Age 54

Director since 2006

President and Chief Executive Officer of the Company since April 2006. He was Executive Vice President and General Manager of Intersil Corporation (Intersil), a company that designs and manufactures analog semiconductors, from June 2002 until March 2006, responsible for managing and overseeing the design, development, applications and marketing functions for Intersil s Analog Signal Processing Business unit. From June 2001 to May 2002, he was Vice President of Marketing, Business Development and Corporate Strategy for Elantec Semiconductor, Inc., a company that designed and manufactured analog integrated circuits before its acquisition by Intersil in May 2002. He was previously employed by Elantec Semiconductor as Vice President of Business Development and Corporate Strategy from January 2001 to June 2001; by Allayer Communications, a communications integrated circuit startup acquired by Broadcom Corporation; and by IBM Microelectronics, Texas Instruments Incorporated, Hewlett-Packard Company and Nortel Communications.

Qualifications: Mr. Maheswaran s qualifications to serve as a member of the Board include his years of senior executive, management, and development experience at analog semiconductor companies. Mr. Maheswaran s current position as our President and Chief Executive Officer also brings to the Board knowledge of the day-to-day operations of the Company, which provides invaluable insight to our Board as it reviews the Company s strategic and financial plans.

Carmelo J. Santoro

Age 76

Director since 2013

Compensation Committee

Retired, independent business consultant with Santoro Technology Associates, which provides general management, strategic planning, marketing and operations services for the computer hardware and software, semiconductor, disk drive, networking, technology services, biotechnology and financial services industries since 2003. Retired from Attensity Inc. in 2003 where he served as President and Chief Executive Officer since 2000. Previously held Chief Executive Officer and Chairman positions with Platinum Software Corporation and Silicon Systems, Inc. Dr. Santoro held other senior positions at RCA Corporation, American Microsystems Incorporated, and Motorola, Inc.

Director of NextTalk Inc., a private company that provides online communications solutions for the deaf since 2005. Has been a director of more than 28 public and private companies over the past 30 years including Ashton-Tate

Corporation, AST Research, Inc., Seagate Technology PLC and Dallas Semiconductor Corp.

Qualifications: Dr. Santoro s qualifications to serve as a member of the Board include his senior executive management experience in technology-related industries, and his experience as a director of private companies and multiple public companies, which we believe provides our Board with valuable board-level experience.

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Sylvia Summers

Age 65

Director since 2013

Audit Committee

Nominating and Governance Committee

Chief Executive Officer, President and Director of Trident Microsystems, Inc., a company that delivers integrated circuits to the digital TV and set top box markets, from 2007 through 2011. Previously Executive Vice President and General Manager at Spansion Ltd. from 2003 to 2007 and Group Vice President at Cisco Systems, Inc. from 2001 to 2002.

Director of Aristocrat Leisure Limited, a company listed on the Australian Stock Exchange and a leading provider of gaming solutions, since September 2016. Previously served as a director of public companies, including Headwaters, Inc. from 2013 to 2017, Alcatel-Lucent from 2015 to 2016, JNI Corporation from 2001 to 2003, Riverstone Networks Inc. from 2002 to 2006 and Gadzoox Networks, Inc. from 2001 to 2003 where she served on the audit and compensation committees.

Qualifications: Ms. Summers qualifications to serve as a member of the Board include her senior executive level experience in technology-related industries and experience as a director of several public companies, which we believe provides our Board with valuable executive-level insights and board-level experience.

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CORPORATE GOVERNANCE

Code of Conduct

The Board has adopted a written Core Values and Code of Conduct (Code of Conduct) that applies to our directors and employees of the Company, including our Chief Executive Officer and our Chief Financial Officer. The Code of Conduct, which is the Company s written code of conduct within the meaning of the Nasdaq Marketplace Rules applicable to companies whose stock is listed for trading on the Nasdaq Stock Market LLC (Nasdaq) and which constitutes the Company s code of ethics within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002, expresses the Company s commitment to the highest standards of ethical business conduct.

Corporate Governance Guidelines

The Board has adopted written Corporate Governance Guidelines that set forth key principles that guide its actions. Some of these principles are discussed below.

Independence

Our Board has determined that all current directors, other than Mr. Maheswaran, are independent under applicable Nasdaq rules and the Board is comprised of a majority of independent directors. The Board determined that Mr. Maheswaran does not meet the independence standards due to his employment by the Company.

Board Leadership Structure

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board. The Chief Executive Officer and Chairman of the Board are separate positions under the Board s current leadership structure. The Chief Executive Officer establishes the corporate direction and strategy, and is responsible for the day-to-day leadership of the Company. The Chief Executive Officer is subject to certain Board-established grants of authority and a Board Review Policy, under which the Board reserves for its action certain material, key strategic, or related matters, and notes matters of Company action on which the Board is to be kept informed. The Chairman of the Board provides guidance to the Chief Executive Officer, presides over the meetings of the stockholders and directors, and guides the Board in fulfilling its obligations. The Chairman of the Board and the Chief Executive Officer hold meetings on a regular basis to discuss both near term and longer range strategic matters. The Chairman of the Board and the Chief Executive Officer collaborate on the preparation of the agenda for each regular Board meeting to set matters to be presented to the Board for its information, attention and action as necessary. Following each meeting of the Board after the independent directors have met in executive session per the Board s standard practice, the Chairman of the Board meets with the Chief Executive Officer to provide feedback on matters raised during the meeting of the Board, and on matters considered for further action or follow-up. On behalf of the Board, the Chairman of the Board also provides one-on-one performance feedback to the Chief Executive Officer. The Board feels this structure facilitates efficient management oversight and enables the Board to effectively meet its governance duties.

Majority Voting and Director Resignation

The Company has adopted a majority voting policy for uncontested elections of the Board (elections where the only nominees are those recommended by the Board). In an uncontested election of directors, any nominee for director who receives a greater number of votes withheld from his or her election than votes for his or her election by stockholders present in person or by proxy at the annual or special meeting of the stockholders and entitled to vote in the election of directors, will tender a written offer to resign from the Board within five business days following the certification of the stockholder vote by the inspector of elections.

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The Company s Nominating and Governance Committee will promptly consider the resignation offer and recommend to the Board whether to accept it.

To the extent that a director s resignation is accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

The Board will act on the Nominating and Governance Committee s recommendation within 90 days following the certification of the stockholder vote by the inspector of elections, which action may include, without limitation, acceptance of the offer of resignation, adoption of measures intended to address the perceived issues underlying the Majority Withheld Vote, or rejection of the resignation offer. Thereafter, the Board will disclose its decision whether to accept the director s resignation offer and the reasons for rejecting the offer, if applicable, in a Current Report on Form 8-K to be filed with the SEC within four business days of the Board s determination.

The Board s Role in Risk Oversight and Management

The Board actively oversees risk management of the Company, including having oversight over the Company s information technology and cybersecurity policies and procedures. The Audit Committee serves as the focal point at the Board level for overseeing the Company s overall risk management process. Among its duties, the Audit Committee reviews with management (a) the Company s policies with respect to risk assessment and management of risks that may be material to the Company, (b) the Company s system of disclosure controls and system of internal controls over financial reporting, and (c) the Company s compliance with legal and regulatory requirements. The Audit Committee is also responsible for reviewing major legislative and regulatory developments that could materially impact the Company s contingent liabilities and risks.

During our fiscal year 2018, the Company continued with enterprise risk assessment evaluations conducted with Audit Committee oversight and participation. The results of the fiscal year 2018 enterprise risk assessment update were reported first to the Audit Committee, and subsequently to the Board for evaluation, identification of matters for additional attention, and overall risk management. The Audit Committee continues to oversee and ensure fulfillment of management initiatives instituted to address risks identified in the enterprise risk assessment process.

Our other Board committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the Board as appropriate, including when a matter rises to the level of a material or enterprise level risk. After receiving a report from a committee, the Board provides guidance as it deems necessary.

Specific Company management functions are responsible for day-to-day risk management. Our accounting, finance, legal, and internal audit areas serve as the primary monitoring and testing functions for company-wide policies and procedures, and manage the day-to-day oversight of the risk management strategy for the ongoing business of the Company. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, and compliance and reporting levels.

The Board believes that its grants of authority to the Chief Executive Officer and under the Board Review Policy for the Chief Executive Officer as noted above in Board Leadership Structure serve to oversee and manage risks by ensuring that the Board is kept well informed on material matters, and is the ultimate approving authority for selected matters. The Board also receives regular reports from the Chief Executive Officer reporting on areas involving operational, human resources, legal, compliance, financial and strategic risks, as well as reports from senior officers of the Company on selected matters as requested from time to time by the Board as part of its recurring meeting process. The Board receives such reports from the Chief

Executive Officer and senior executives to enable the Board to understand the identification, management and mitigation strategies for the reported risks.

We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing the Company and that our Board leadership structure supports this approach.

Policy on Hedging and Pledging

The Company recognizes that hedging against losses in Company stock is not appropriate or acceptable trading activity for individuals employed by or serving the Company. The Company has adopted stock ownership guidelines (as described below in the section titled Compensation Discussion and Analysis) that, among other things, are intended to align the interests of stockholders, and the Company s directors and officers. In keeping with the intent of the stock ownership guidelines, as well as for the purpose of clearly outlining the Company s position on acceptable trading activity, the Company has incorporated prohibitions on various hedging activities within its stock trading guidelines, which guidelines apply to directors, officers and employees. The guidelines prohibit all short sales of Company stock and any trading in derivatives (such as put and call options) that relate to Company securities. The guidelines also prohibit pledging any Company stock or equity awards as collateral for any margin account, or other form of credit arrangement.

Risk Assessment of Compensation Programs

In compliance with SEC disclosure requirements, we have evaluated our compensation policies and practices to determine if any of our programs create risks that are reasonably likely to have a material adverse effect on the Company. We have concluded that our compensation policies and practices do not create such risks. We evaluated our executive program, as well as our broad-based compensation and benefits programs on a worldwide basis. We focused on looking at whether any program s elements, criteria, purposes or objectives create undesired or unintended risk of a material nature. While all programs were evaluated, primary review and attention was placed on programs having potential for variable payouts where an individual participant or small groups of participants might have the ability to directly affect, control or impact payout results. We are satisfied that all compensation programs are structured with appropriate controls, objective measurement variables, review authorities and payment methodologies that, in the aggregate, are designed and administered so that there is not any reasonable likelihood of material adverse risks to the Company arising from or caused by any of our compensation programs. In addition, claw-back rights and provisions in applicable executive compensation plans as discussed below in our Compensation Discussion and Analysis are additional safeguards that encourage executives to refrain from making risky decisions or taking actions that could harm the Company.

In particular, base salaries are fixed in amount and are, therefore, not susceptible to encouraging unnecessary or excessive risk taking. Although the performance-based, short-term annual cash incentives focus on achievement of short-term individual performance and business-related goals, which could encourage taking of short-term risks at the expense of long-term goals, this element of compensation is offset and balanced by the Company s use of long-term, multi-year incentive programs that are designed to align our executives interests with those of the Company s stockholders. We believe that long-term, multi-year incentive programs do not encourage unnecessary or excessive risk taking because the ultimate value of these programs is tied to the value of the Company s stock and the grant dates and vesting dates are staggered over multiple years to ensure that executives have a significant stake in the long-term performance of the Company s stock.

Evaluation of Chief Executive Officer Performance

In concert with our Compensation Committee in accordance with that Committee s charter, the Board of Directors oversees and evaluates the performance of the Chief Executive Officer on an ongoing basis, including a formal annual performance review. Such evaluation includes regular assessment of his performance against goals and objectives established in connection with his compensation programs, as well as his overall performance in leading and managing the Company.

Annual Board Evaluation

Pursuant to our Corporate Governance Guidelines and the charter of the Nominating and Governance Committee, the Nominating and Governance Committee at least annually reviews, discusses and assesses the performance and effectiveness of the Board and the individual directors and makes relevant recommendations to the Board. The Nominating and Governance Committee also considers the self-evaluations of each standing committee and evaluates the need for any restructuring of the committees. The evaluation process is designed to facilitate ongoing, systematic examination of the Board s effectiveness and accountability, and to identify opportunities for improving its operations and procedures.

In fiscal 2018, the Board completed an evaluation process focusing on the effectiveness of the performance of the Board as a whole and the background and skills of each director. Each standing committee conducted a separate evaluation of its own performance and of the adequacy of its charter and reported to the Board on the results of its evaluation.

Transactions with Related Parties

We have adopted a written Related-Person Transaction Policy, approved by the Audit Committee and the Board, which provides guidelines for the disclosure, review, ratification and approval of transactions with our directors, executive officers, 5% stockholders and their immediate family members in which the amount involved exceeds or reasonably can be expected to exceed $120,000. The policy supplements our other policies or procedures that may be applicable to a transaction, including our Code of Conduct. Under the Code of Conduct, all directors and employees are expected to avoid actual or apparent conflicts between personal interests and interests of the Company. The policy is administered by the Audit Committee and related-person transactions must be terminated unless approved or ratified by the Audit Committee in accordance with the terms of the policy. In making its determination, the Audit Committee is to take into account all relevant factors and material facts it deems significant including:

- the size and materiality of the transaction and the amount of consideration payable to the related-person;
- the nature of the interest of the related-person;
- whether the transaction may involve a conflict of interest;
- whether the transaction involves the provision of goods or services to the Company that are readily available from unaffiliated third parties on better terms;

whether there are business reasons to enter into the transaction; and

whether the transaction is fair to the Company.

Since January 30, 2017, there has not been nor is there currently proposed any transaction or series of similar transactions to which we were or are to be a party in which the amount involved exceeds $120,000 and in which any of our directors, executive officers, persons who we know hold more than 5% of our common stock, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest other than compensation agreements and other arrangements, which are described elsewhere in this Proxy Statement.

Directors are expected to devote sufficient time to the Board and its committees and to carry out their duties and responsibilities effectively. It is expected that each director will be available to attend all meetings of the

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Board and any committees on which the director serves, as well as the Company s annual meeting of stockholders. During the Company s last fiscal year, the Board held nine regularly scheduled meetings and 20 committee meetings. Each of the then incumbent directors attended 75% or more of the aggregate of the meetings of the Board and the meetings of the committees of the Board on which such director served. As is our practice, the independent directors met in an executive session without management present at several of these meetings. It is the policy of the Company that all of the directors attend the annual meetings of stockholders unless important personal reasons prohibit it. All of our directors attended last year s Annual Meeting, held in June 2017.

Continuing Education

Each director is expected to take steps reasonably necessary to enable the director to function effectively on the Board and Board committees on which the director serves, including becoming and remaining well informed about the Company, the industry, and business and economic trends affecting the Company. Each director is also expected to take steps reasonably necessary to keep informed on principles and practices of sound corporate governance. The Company provides each director with membership in the National Association of Corporate Directors. Each director is required to participate, at the Company s expense, in a minimum amount of director education during a given two-year period. A two-year period ends each even numbered fiscal year of the Company.

Committees

The Board has an Audit Committee, Compensation Committee, and Nominating and Governance Committee. Committee assignments and designations of committee chairs are made annually by a vote of the Board at the annual organizational meeting of directors held in conjunction with the annual meeting of stockholders. All committees are authorized to engage advisors as deemed necessary to carry out their duties and each committee is charged with conducting an annual self-evaluation and assessment of its charter. Current committee assignments are set forth in the following table:

Director	Audit	Compensation	Nominating and Governance
Rockell N. Hankin, *Chairman of the Board*			Chair
James P. Burra, *Vice Chairman of the Board*			
Glen M. Antle (1)			
Bruce C. Edwards		Chair	
Ye Jane Li			
James T. Lindstrom	Chair		
Carmelo J. Santoro			
Sylvia Summers			
Number of meetings during fiscal year 2018	**8**	**7**	**5**

(1) As disclosed in a Current Report on Form 8-K filed on March 20, 2018, Mr. Antle notified the Board on March 15, 2018 that he would not seek re-election as a director at the Company s 2018 Annual Meeting of Stockholders, but

would continue serving as a director until the date of the Annual Meeting.

Audit Committee

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board has determined that each member of the Audit

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CORPORATE GOVERNANCE

Committee is independent as defined by Nasdaq and SEC rules applicable to audit committee members, is financially sophisticated as defined by Nasdaq rules, and is an audit committee financial expert as defined by SEC rules.

The Audit Committee s responsibilities are set forth in a written charter and include assisting the Board in overseeing the:

- accounting and financial reporting processes of the Company;
- Company s internal audit function;
- integrity of the Company s financial statements and systems of internal controls and disclosure controls;
- audits of the Company s financial statements;
- appointment, compensation, retention and work of the auditor;
- Company s financial risk; and
- Company s compliance with legal and regulatory requirements and the Company s Code of Conduct.

The Audit Committee meets periodically with the Company s independent registered public accounting firm outside the presence of Company management. The Audit Committee has also been designated by the Board to serve as the Company s Qualified Legal Compliance Committee, within the meaning of Section 205 of the SEC s Standards of Professional Conduct for Attorneys Appearing and Practicing before the Commission in the Representation of an Issuer. The Audit Committee has the authority and resources appropriate to discharge its duties and responsibilities, including the authority to select, engage and terminate independent counsel and other advisors as it deems necessary to carry out its duties without seeking approval of the Board or management.

The Audit Committee has adopted a policy regarding pre-approval of services to be provided by the Company s independent registered public accounting firm, which is described below under the heading Policy On Audit Committee Pre-Approval Of Audit And Permissible Non-Audit Services, and procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, which are described below under the heading Contacting The Board Of Directors.

Compensation Committee

The Compensation Committee s written charter requires that its members satisfy the independence requirements of Nasdaq and applicable law. From January 30, 2017 through January 28, 2018, the Compensation Committee consisted of four Board Members, each of whom the Board has affirmatively determined satisfies these independence requirements. The Compensation Committee charter sets forth the purpose and responsibilities of the Compensation Committee, which include the following:

- reviewing and approving goals and objectives for our Chief Executive Officer, and evaluating his performance against those goals and objectives;
- determining (or recommending to the Board for determination) all elements of the Chief Executive Officer s compensation and that of our other executive officers;
- reviewing the Company s management development programs and succession plans;
- overseeing and periodically reviewing the operation of the Company s incentive programs and benefit plans;
- carrying out all responsibilities and functions assigned to it by the documents governing the Company s incentive programs and benefit plans;
- making and approving equity awards; and

reviewing and making recommendations to the Board with respect to the compensation of our directors who are not also employed by the Company or one of our subsidiaries (Non-Employee Directors).

The Compensation Committee has the authority and resources appropriate to discharge its duties and responsibilities, including the authority to select, engage and terminate independent counsel, consultants and other advisors as it deems necessary to carry out its duties without seeking approval of the Board or management. The Compensation Committee may also delegate to subcommittees such authority as it deems appropriate. The Compensation Committee has no current intention to delegate any of its authority to any other committee or subcommittee. Our executive officers, including the Named Executive Officers (as defined in the Compensation Discussion and Analysis below), do not have any role in determining the form or amount of compensation paid to our executives. However, our Chief Executive Officer does make recommendations to the Compensation Committee with respect to compensation paid to the other executive officers.

Nominating and Governance Committee

The Nominating and Governance Committee s written charter charges it with assisting the Board by:

identifying and evaluating individuals qualified to become members of the Board;

recommending to the Board director nominees for election at each annual meeting and to fill vacancies on the Board;

making recommendations to the Board regarding the Board offices of Chair and Vice Chair, assignments to Board committees and committee chairs;

developing, overseeing the effectiveness of and recommending changes to the Company s Corporate Governance Guidelines;

making other recommendations to the Board regarding corporate governance matters and nomination and evaluation matters relating to the directors;

overseeing the evaluation of the Board; and

taking such other actions within the scope of its charter as the Committee deems necessary or appropriate.

The Board has determined that each member of the Nominating and Governance Committee is independent as defined by Nasdaq rules. The Nominating and Governance Committee has the authority and resources appropriate to discharge its duties and responsibilities, including the authority to select, engage and terminate independent counsel, consultants and other advisors as it deems necessary to carry out its duties without seeking approval of the Board or management.

Corporate Governance Materials

The following materials are available free of charge under the Investors page of the Company s website at www.semtech.com or by sending a request for a paper copy to the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California, 93012:

Bylaws

Code of Conduct

Corporate Governance Guidelines

Audit Committee Charter

Compensation Committee Charter

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CORPORATE GOVERNANCE

Nominating and Governance Committee Charter

Director Nominations Policy

Director Compensation Policy

Director Stock Ownership Guidelines

Executive Stock Ownership Guidelines

Related-Persons Transaction Policy

Board Committee Assignments

Stock Trading Guidelines

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CONTACTING THE BOARD OF DIRECTORS

General Business Matters

Our Annual Meeting provides an opportunity for stockholders to speak directly with the Board regarding appropriate matters. Stockholders also may communicate with the Board, or any committee or director, about Company business by writing to such party in care of the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California, 93012. Stockholders are encouraged to include evidence of their holdings with their communications. The Company s Secretary will forward communications as applicable to the Chairman of the Board, the applicable committee chair, or individual named director if a communication is directed to an individual director. Any communication deemed to involve an accounting matter will be sent to the Chair of the Audit Committee. The foregoing process is in accordance with the process adopted by a majority of the independent members of the Board, which includes procedures for collecting, organizing and otherwise handling such communications. Advertisements, solicitations or hostile communications will not be presented.

Accounting Matters

The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (Accounting Matters). Employees with concerns regarding Accounting Matters may report their concerns in writing to our Chief Financial Officer, Chief Executive Officer or General Counsel. Employees may also report concerns regarding Accounting Matters anonymously directed to the Audit Committee via the on-line confidential reporting system maintained by the Company. Non-employee complaints regarding Accounting Matters may be reported by writing to the Audit Committee in care of the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012.

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DIRECTOR NOMINATIONS

Criteria and Diversity for Board Membership

All persons nominated to serve as a director of the Company should possess the minimum qualifications, skills and attributes as determined by our Board. The qualifications, attributes and skills noted below are illustrative but not exhaustive. The Nominating and Governance Committee will also consider the contributions that a candidate can be expected to make to the Board based on the totality of the candidate s background, credentials, experience and expertise, the diversity and composition of the Board at the time, and other relevant circumstances.

Key qualifications include:

Business Understanding. Candidates must have a general appreciation regarding major issues facing public companies of a size and operational scope similar to the Company, including regulatory obligations and governance concerns of a public issuer; strategic business planning; competition in a global economy; and basic concepts of corporate finance.

Experience or Achievement. Candidates must have demonstrated achievement in one or more fields of business, professional, governmental, community, scientific or educational endeavor.

Integrity. All candidates must be individuals of personal integrity and ethical character.

Absence of Conflicts of Interest. Candidates should not have any interests that would materially impair their ability to (i) exercise independent judgment, or (ii) otherwise discharge the fiduciary duties owed as a director to the Company and its stockholders.

Fair and Equal Representation. Candidates must be able to represent fairly and equally all stockholders of the Company without favoring or advancing any particular stockholder or other constituency of the Company.

Oversight. Candidates are expected to have sound judgment, based on management or policy-making experience that demonstrates an ability to function effectively in an oversight role.

Available Time. Candidates must be prepared to devote adequate time to the Board and its committees. It is expected that each candidate will be available to attend all meetings of the Board and any committees on which the candidate will serve, as well as the Company s annual meeting of stockholders.

Diversity. Although we do not have a formal diversity policy, when considering diversity in evaluating candidates, the Nominating and Governance Committee focuses on whether candidates can contribute varied perspectives, skills, experiences and expertise to the Board. The Nominating and Governance Committee will seek to promote an appropriate diversity on the Board of professional background, experience, expertise, perspective, age, gender and ethnicity.

Evaluation of Nominees

The Nominating and Governance Committee will identify potential candidates for Board membership, when applicable, through professional search firms and personal referrals. Candidacy for Board membership requires the final approval of the full Board. Each year, the Board proposes a slate of nominees to the stockholders, who elect the members of the Board at the annual meeting of stockholders. Stockholders may also propose nominees for consideration by the Nominating and Governance Committee by submitting the names and supporting information regarding proposed candidates to the Company s Secretary in accordance with the procedure for submitting stockholder nominations set forth under Recommendation of a Director Candidate for Consideration by the Nominating and Governance Committee and Direct Nomination of a Director Candidate below. Candidates (including those proposed by our stockholders) are evaluated by the Nominating and Governance Committee through recommendations, resumes, personal interviews, reference checks and other information deemed appropriate by the Nominating and Governance Committee.

Recommendation of a Director Candidate for Consideration by the Nominating and Governance Committee

The Nominating and Governance Committee will consider recommendations for director nominations submitted by stockholders. Submissions for the 2019 Annual Meeting of Stockholders (the 2019 Annual Meeting) must be received no later than March 16, 2019; must otherwise be made in accordance with our Director Nominations Policy; and must include all information specified in that Policy. The Nominating and Governance Committee will only consider candidates who satisfy the Company s minimum qualifications for director, as set forth in our Director Nominations Policy, including that directors represent the interests of all stockholders. One of the factors that will be taken into account in considering a stockholder recommendation is the size and duration of the recommending stockholder s ownership interest in the Company and whether the stockholder intends to continue holding that interest through the applicable annual meeting date. Stockholders should be aware that it is the general policy of the Company to re-nominate qualified incumbent directors.

Direct Nomination of a Director Candidate

Under the Company s Bylaws, director nominations will be considered untimely and ineligible to come properly before the Company s 2019 Annual Meeting if notice of such nomination is not received by the Company by March 16, 2019. A stockholder making a director nomination must be a stockholder of record on the date the required notice is given to the Company and on the record date for the meeting. The required notice must be submitted in writing to the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012 and must contain the following information:

(a) as to each person whom the stockholder proposes to nominate for election as a director:

(i) the name, age, business address, residence address and principal occupation or employment of the person,

(ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person,

(iii) a description of all arrangements or understandings between the stockholder and each nominee and any other person(s) (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, and

(iv) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person s written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(b) as to such stockholder giving notice:

(i) the name and record address of the stockholder who intends to make the proposal and the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such stockholder,

(ii) a representation that the stockholder is a holder of record of common stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to introduce the business specified in the notice,

(iii) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting,

(iv) any material interest of the stockholder in such business, and

(v) any other information that is required to be provided pursuant to Regulation 14A under the Exchange Act.

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STOCKHOLDER PROPOSALS

Stockholder Proposals to be included in Next Year s Proxy Statement

The Company must receive stockholder proposals for the 2019 Annual Meeting no later than January 4, 2019 in order to be considered for inclusion in the Company s proxy materials. Stockholder proposals must be submitted in writing to the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012. Any proposal must comply with the requirements of Rule 14a-8 under the Exchange Act as to form and substance established by the SEC for such proposal to be included in the Company s proxy statement. If we change the date of the 2019 Annual Meeting by more than 30 days from the anniversary of this year s meeting, stockholder proposals must be received a reasonable time before we begin to print and mail our proxy materials for the 2019 Annual Meeting.

Other Stockholder Proposals for Presentation at Next Year s Annual Meeting

Under the Company s Bylaws, proposals by stockholders submitted outside the process of Rule 14a-8 under the Exchange Act which are not intended to be included in next year s Proxy Statement, will be considered untimely and ineligible to come properly before the Company s 2019 Annual Meeting if notice of such proposal is not received by the Company by March 16, 2019. However, in the event that the annual meeting is called for a date that is more than thirty (30) days before or after the anniversary of the prior year s annual meeting, notice by a stockholder to be timely must be received not later than the close of business on the tenth (10^{th}) day following the earlier of (1) the day on which notice of the meeting was mailed or (2) the day on which the Company publicly announces the date of such meeting. The proposal must be a proper matter for stockholder action under Delaware law and the stockholder bringing the proposal must be a stockholder of record on the date the required notice of the proposal is given to the Company and on the record date for the meeting. The required notice must be submitted in writing to the Company s Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012 and must contain the information set forth in section (b) of Direct Nomination of a Director Candidate above.

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DIRECTOR COMPENSATION

DIRECTOR COMPENSATION POLICY

Non-Employee Directors receive a cash retainer for their services on the Board, their committee service, and their role as Chair of the Board or any committee. Our Non-Employee Directors also receive equity-based compensation.

Cash Retainer Fees

During fiscal year 2018, the cash retainer fees payable to Non-Employee Directors were as follows:

Description	Annual Retainer
Annual Retainer	$45,000
Additional Retainer for Chairman of the Board	$50,000
Committee Chair Retainer	
Audit Committee	$20,000
Compensation Committee	$20,000
Nominating and Governance Committee	$10,000
Committee Retainer	
Audit Committee	$10,000
Compensation Committee	$10,000
Nominating and Governance Committee	$5,000

The committee retainer is payable to each member of a committee who is not also the chair of that committee. The Chair of a committee is entitled to receive only the committee chair retainer for that particular committee. Fees are paid quarterly in advance. Directors are also reimbursed for their reasonable expenses incurred in connection with their services.

Equity Award Grants

The equity awards made to Non-Employee Directors in fiscal year 2018 were made from the 2017 Long-Term Equity Incentive Plan (the 2017 Plan). Non-Employee Directors receive equity awards on the following terms:

Annual Stock Unit Awards. On each July 1, each non-employee director then in office will automatically be granted two awards of restricted stock units. The first award (the Annual Non-Deferred RSU Award) will be for a number of restricted stock units determined by dividing $60,000 by the per-share closing price (in regular trading) of the Company s common stock on the Nasdaq Stock Market on the grant date (or as of the last trading day preceding such date if the date of grant is not a trading day), rounded down to the nearest whole unit. Each Annual Non-Deferred RSU Award will vest in full on the earlier of (1) the one-year anniversary of the date of grant and (2) the date immediately preceding the date of the annual meeting of the Company s stockholders for the year following the year of grant of the award, subject to the non-employee director s continued service to the Company through such vesting date. To the extent then vested, restricted stock units subject to an Annual Non-Deferred RSU Award will be paid in an equal number of shares of the Company s common stock as soon as practicable following (and in all events within two and one-half months after) the earlier to occur of (1) the one-year anniversary of the date of grant, or (2) the non-employee director s separation from service on the Board.

The second award of restricted stock units (the Annual Deferred RSU Award) will be for a number of restricted stock units determined by dividing $70,000 by the per-share closing price (in regular trading) of the Company s common stock on the Nasdaq Stock Market on the grant date (or as of the last trading day

DIRECTOR COMPENSATION

preceding such date if the date of grant is not a trading day), rounded down to the nearest whole unit. Each Annual Deferred RSU Award will vest in full on the earlier of (1) the one-year anniversary of the date of grant and (2) the date immediately preceding the date of the annual meeting of the Company s stockholders for the year following the year of grant of the award, subject to the non-employee director s continued service to the Company through such vesting date. To the extent then vested, restricted stock units subject to an Annual Deferred RSU Award will be paid in cash as soon as practicable following (and in all events within two and one-half months after) the non-employee director s separation from service on the Board.

Outstanding and unvested Annual Non-Deferred RSU Awards and Annual Deferred RSU Awards will accelerate and vest (1) in full upon a change in control of the Company or should the non-employee director s service with the Company terminate due to the director s death or disability, or (2) as to a pro-rata portion of the Annual Non-Deferred RSU Award or the Annual Deferred RSU Award, as applicable, should the non-employee director s service with the Company terminate due to any reason other than the director s death or disability, with such pro-rata portion determined by multiplying (a) the total number of restricted stock units subject to the Annual Non-Deferred RSU Award or the Annual Deferred RSU Award, as applicable, by (b) a fraction (not greater than one), the numerator of which is the number of calendar days in the period beginning with the applicable grant date of the award through and including the date of the director s termination of services, and the denominator of which is the number of calendar days in the period beginning with the applicable grant date of the award through and including the first July 1 that occurs after the applicable grant date of the award. Any restricted stock units subject to the Annual Non-Deferred RSU Award or the Annual Deferred RSU Award, as applicable, that are not vested on the date of the non-employee director s termination of service with the Company (after giving effect to any accelerated vesting as described above) will be forfeited upon the non-employee director s termination of service as a director for any reason.

Non-employee directors are entitled to receive dividend equivalents with respect to outstanding and unpaid restricted stock units subject to Annual Non-Deferred RSU Awards and Annual Deferred RSU Awards. Dividend equivalents, if any, are paid in the form of a credit of additional restricted stock units that are subject to the same vesting, payment and other provisions as the underlying restricted stock units.

Initial Equity Awards. For each non-employee director who is initially elected or appointed to the Board (and who was not an employee of the Company or one of its subsidiaries immediately prior to joining the Board), the Board will approve the grant to such non-employee director of a stock option (Initial Stock Option Award), an initial non-deferred restricted stock unit award (Initial Non-Deferred RSU Award), and an initial deferred restricted stock unit award (Initial Deferred RSU Award). However, if such a non-employee director is initially elected or appointed to the Board on a July 1, the Board will grant the non-employee director an Initial Stock Option Award, but the non-employee director will not receive an Initial Non-Deferred RSU Award or an Initial Deferred RSU Award (as the non-employee director would be entitled to an Annual Non-Deferred RSU Award and an Annual Deferred RSU Award by virtue of being in office on such July 1).

An Initial Stock Option Award will be an option to purchase a number of shares of the Company s common stock such that the grant date fair value of such option (determined by using a Black-Scholes or similar valuation method based on the assumptions generally then used by the Company in valuing its options in its financial reporting) will be approximately $100,000. The per-share exercise price of an Initial Stock Option Award will equal the closing price (in regular trading) of a share of the Company s common stock on the Nasdaq Stock Market on the date of grant (or as of the last trading day preceding such date if the date of grant is not a trading day). Each Initial Stock Option Award will be scheduled to vest in four (4) substantially equal annual installments, subject to the non-employee director s continued service as a director through each vesting date, with the first installment vesting on the first anniversary of the applicable grant date. Each Initial Stock Option Award will, however, accelerate and vest (1) in full upon a change in control of the Company or should the non-employee director s service with the Company terminate due to the director s death or disability, or (2) as to a pro-rata portion of the option grant should the non-employee director s service with the Company terminate due to any reason other than the director s death or disability, with such pro-rata portion determined by multiplying (a) the total number of shares subject to the option grant by (b) a fraction (not greater than one), the numerator of which is the number of whole weeks between the date of the director s termination of services and the applicable grant of the award, and the denominator of which is two hundred eight (208), and subtracting the number of shares subject to the options that were theretofore vested. The foregoing provisions are, in the case of an Initial Stock Option Award, subject to the terms and conditions of the applicable Award Agreement.

Initial Non-Deferred RSU Awards and Initial Deferred RSU Awards will have the same terms and conditions as the Annual Non-Deferred RSU Awards and Annual Deferred RSU Awards, respectively, last granted by the Company prior to the date that the new non-employee director is elected or appointed to the Board, except that the number of restricted stock units subject to each such initial award will be determined by dividing the applicable dollar amount set forth above for the applicable annual award by the per-share closing price (in regular trading) of the Company s common stock on the Nasdaq Stock Market on the grant date (or as of the last trading day preceding such date if the date of grant is not a trading day) of such initial award, multiplying that number of units by the Initial Fraction (as defined below), and rounding the number of units so produced down to the nearest whole unit. For clarity, the vesting dates of each such Initial Non-Deferred RSU Award and Initial Deferred RSU Award will also correspond with the vesting dates applicable to the Annual Non-Deferred RSU Awards and Annual Deferred RSU Awards last granted by the Company prior to the date that the new non-employee director is elected or appointed to the Board. The Initial Fraction is the fraction (not greater than one) determined by dividing (1) the number of days in the period beginning with the date that the non-employee director is elected or appointed to the Board through and including the June 30 that coincides with or next follows that date, by (2) the number of calendar days in the calendar year that includes such June 30 (either 365 or 366).

DIRECTOR COMPENSATION FISCAL YEAR 2018

The following table presents information regarding the compensation of individuals who were Non-Employee Directors during fiscal year 2018 for their services during that year. The compensation paid to Mr. Maheswaran, who is our current Chief Executive Officer, is presented below under Executive Compensation, including in the Summary Compensation Table and the related explanatory tables. Mr. Maheswaran is our only employee director and does not receive any additional compensation for his services as a director.

NON-EMPLOYEE DIRECTOR COMPENSATION FISCAL YEAR 2018 (1)

Name	Fees Earned or Paid in Cash ($)	Stock Awards (1) ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Chairman Hankin	105,000	129,987			234,987
Vice Chairman Burra	60,000	129,987			189,987
Mr. Antle	55,000	129,987			184,987
Mr. Edwards	65,000	129,987			194,987

Ms. Li	55,000	129,987	184,987
Mr. Lindstrom	65,000	129,987	194,987
Dr. Santoro	55,000	129,987	184,987
Ms. Summers	60,000	129,987	189,987

(1) The amounts and values noted do not necessarily correspond to any actual value that will be realized by a recipient. The stock award and option award amounts reflected in the table, and the grant-date values discussed below in this footnote, are computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 based on assumptions set forth in Note 11 to the financial statements included in the Company s Annual Report on Form 10-K filed with the SEC on March 22, 2018. The awards are valued as of the grant date disregarding any estimate of forfeitures related to service-based vesting conditions. None of our Non-Employee Directors forfeited any Company equity awards in fiscal year 2018. On July 1, 2017, each Non-Employee Director then in office was awarded as his or her Annual Deferred RSU Award 1,958 restricted

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stock units that settle in cash and as his or her Annual Non-Deferred RSU Award 1,678 restricted stock units that settle in shares. The fair value of each such restricted stock unit on the grant date was $35.75 and the fair value of the awards on the grant date were $69,999 for each Annual Deferred RSU Award and $59,988 for each Annual Non-Deferred RSU Award.

The following table presents the number of outstanding and unexercised option awards and number of outstanding stock units held by each of our Non-Employee Directors as of January 28, 2018:

Outstanding Awards at End of Fiscal Year 2018

Name	Director Since	Number of Shares Subject to Outstanding Option Awards at Fiscal Year End			Number of Outstanding Restricted Stock Units-Cash Settled At Fiscal Year End			Number of Outstanding Restricted Stock Units-Share Settled At Fiscal Year End		
		Vested	Unvested	Total	Vested	Unvested	Total	Vested	Unvested	Total
Chairman Hankin	1988	12,500	2,500	15,000	34,158	1,958	36,116	5,579	1,678	7,257
Vice Chairman Burra	1991	27,500	2,500	30,000	34,158	1,958	36,116	5,579	1,678	7,257
Mr. Antle	2002	27,500	2,500	30,000	34,158	1,958	36,116	5,579	1,678	7,257
Mr. Edwards	2006	22,500	2,500	25,000	34,158	1,958	36,116	5,579	1,678	7,257
Ms. Li	2016	4,837	14,512	19,349	4,259	1,958	6,217	3,650	1,678	5,328
Mr. Lindstrom	2002	27,500	2,500	30,000	34,158	1,958	36,116	5,579	1,678	7,257
Dr. Santoro	2013	37,500	2,500	40,000	11,132	1,958	13,090	5,579	1,678	7,257
Ms. Summers	2013	37,500	2,500	40,000	11,132	1,958	13,090	5,579	1,678	7,257

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BENEFICIAL OWNERSHIP OF SECURITIES

The table below indicates the number of shares of the Company s common stock beneficially owned as of April 20, 2018, the record date for the Annual Meeting, by each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of our common stock, each of our directors, each of our NEOs (as defined herein) and all directors and executive officers as a group. Unless otherwise noted, all information regarding stockholders who are not directors or officers of the Company is based on the Company s review of information filed with the SEC on Schedule 13D or 13G, which information is as of December 31, 2017, unless otherwise noted below. The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Unless otherwise indicated below, to the Company s knowledge, all persons listed have sole voting and investment power with respect to their shares.

Unless otherwise noted below, the address of each beneficial owner listed in the table is in care of Semtech Corporation, 200 Flynn Road, Camarillo, California 93012.

	Beneficial Ownership of Common Stock	
Name and Address of Beneficial Owner	**Number of Shares**	**% (5)**
BlackRock Inc. (1) 55 East 52nd Street, New York, NY 10055	8,308,393	12.6
FMR LLC (2) 245 Summer Street, Boston, MA 02210	9,953,762	15.1
The Vanguard Group, Inc. (3) 100 Vanguard Blvd., Malvern, PA 19355	6,288,010	9.5
Rockell N. Hankin, Chairman of the Board	154,940	*
James P. Burra, Vice Chairman of the Board (4)	71,079	*
Glen M. Antle, Director	17,500	*
Bruce C. Edwards, Director (4)	55,079	*
Ye Jane Li, Director	13,324	*
James T. Lindstrom, Director	42,500	*
Carmelo J. Santoro, Director	43,079	*
Sylvia Summers, Director	43,079	*
Mohan R. Maheswaran, Director, President and Chief Executive Officer	466,299	*
Emeka N. Chukwu, Executive Vice President and Chief Financial Officer	148,430	*
Gary M. Beauchamp, Executive Vice President and General Manager, Signal Integrity Products Group	29,029	*
James J. Kim, Senior Vice President, Worldwide Sales	100,725	*
Asaf Silberstein, Senior Vice President, Worldwide Operations and Information Technology	75,542	*
All Current Directors and Executive Officers as a group (20 persons including those named above) (6)	1,537,403	2.3

* Less than 1%

(1) As reported in Amendment No. 9 to Schedule 13G filed on January 19, 2018 by BlackRock Inc., BlackRock Inc. reported sole voting power with respect to 8,172,441 shares and sole dispositive power with respect to 8,308,393 shares, as the parent company

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BENEFICIAL OWNERSHIP OF SECURITIES

of the following subsidiaries which hold the shares: BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock International Limited, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Ltd, and BlackRock Investment Management, LLC.

(2) As reported in Amendment No. 5 to Schedule 13G filed on February 13, 2018 by FMR LLC reporting beneficial ownership as of December 29, 2017. FMR LLC reported sole voting power over 171,483 shares and no shared voting power and sole dispositive power of 9,953,762 shares and no shared dispositive power. The Schedule 13G lists the identity of each relevant entity that beneficially owns 5% or greater of the outstanding shares of the security class being reported on the Schedule 13G as follows: FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management & Research (Hong Kong) Limited, FMR Co., Inc., and Strategic Advisers, Inc. Abigail P. Johnson is Director, Chairman, and the CEO of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (Fidelity Funds) advised by Fidelity Management & Research Company (FMR Co), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees. The filing reflects the securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and affiliates, and other companies (collectively, the FMR Reporters). The Schedule 13G states that the filing does not reflect securities, if any, beneficially owned by certain other companies whose beneficial ownership of securities is disaggregated from that of the FMR Reporters in accordance with Securities and Exchange Commission Release No. 34-39538 (January 12, 1998).

(3) As reported in Amendment No. 5 to Schedule 13G filed February 9, 2018 by The Vanguard Group. The Vanguard Group reported sole voting power over 126,140 shares, shared voting power over 9,200 shares, sole dispositive power over 6,157,870 shares and shared dispositive power over 130,140 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 120,940 of the shares as a result of its serving as investment manager of collective trust accounts and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 14,400 shares as a result of its serving as investment manager of Australian investment offerings.

(4) The reported shares include shares held in family trusts under which voting and/or dispositive power is shared: Mr. Burra (48,579 shares) and Mr. Edwards (32,579 shares). Other shares reported under All Directors and

Executive Officers as a group may be held jointly by executive officers and their spouses, held solely by their spouses, held in revocable family trusts in which voting and/or dispositive powers may be shared with or rest in others, or held by other persons through whom they are deemed to have beneficial ownership of the shares.

(5) The ownership percentage is based on 66,031,922 shares outstanding as of April 20, 2018 and the numerator and denominator include the shares, shown above, which the individual has the right to acquire within 60 days thereof through the exercise of stock options. Although the shares that could be acquired by an individual are deemed to be outstanding in calculating the ownership percentage of that individual and of the group, they are not deemed to be outstanding as to any other individual. No named individual holds unvested restricted stock as to which the holder has voting power but no dispositive power and shares that could be acquired within 60 days of our Record Date of April 20, 2018 through the exercise of stock options.

(6) No shares of common stock held by a director, director nominee or officer have been pledged as security. The Company is not aware of any arrangements or pledge of common stock that could result in a change of control of the Company.

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EXECUTIVE OFFICERS

Name	Age as of April 20, 2018	Position
Mohan R. Maheswaran	54	President and Chief Executive Officer
Emeka N. Chukwu	55	Executive Vice President and Chief Financial Officer
Charles B. Ammann	63	Executive Vice President, General Counsel and Secretary
Gary M. Beauchamp	58	Executive Vice President and General Manager, Signal Integrity Products Group
Simon A. Brown	50	Vice President and General Manager, Power and High-Reliability Products Group
Chris H. Chang	50	Senior Vice President, Corporate Marketing and Business Development
Mark C. Costello	49	Vice President and General Manager, Protection Products Group
Sharon K. Faltemier	62	Senior Vice President, Human Resources
James J. Kim	61	Senior Vice President, Worldwide Sales
Marc P. Pegulu	44	Vice President and General Manager, Wireless and Sensing Products Group
Asaf Silberstein	48	Senior Vice President, Worldwide Operations and Information Technology
J. Michael Wilson	62	Executive Vice President, Quality and Reliability

Mr. Maheswaran joined the Company in April 2006 as President and Chief Executive Officer. He was Executive Vice President and General Manager of Intersil Corporation (Intersil), a company that designs and manufactures analog semiconductors, from June 2002 until March 2006, responsible for managing and overseeing the design, development, applications and marketing functions for Intersil s Analog Signal Processing Business unit. From June 2001 to May 2002, he was Vice President of Marketing, Business Development and Corporate Strategy for Elantec Semiconductor, Inc., a company that designed and manufactured analog integrated circuits before its acquisition by Intersil in May 2002. He was Vice President of Business Development and Corporate Strategy of Elantec Semiconductor from January 2001 to June 2001. Mr. Maheswaran has also been employed by Allayer Communications, a communications integrated circuit startup company acquired by Broadcom Corporation; IBM Microelectronics; Texas Instruments Incorporated; Hewlett-Packard Company and Nortel Communications.

Mr. Chukwu has been our Executive Vice President and Chief Financial Officer since February 2014. Prior to his promotion, he was Senior Vice President and Chief Financial Officer since August 2011. He previously served as the Company s Vice President and Chief Financial Officer from November 2006. He previously had been employed in various financial positions at Intersil Corporation, a company that designs and manufactures analog semiconductors, since 2002. His most recent position at Intersil was Vice President, Finance, in which capacity he served since February 2006 with responsibility for all financial management affairs of the corporation s business units and worldwide operations. He served as the Controller of Intersil s Analog Signal Processing Group and Worldwide Operations from May 2002 through January 2006, responsible for financial planning, budget management, and related financial oversight functions. From July 1997 through April 2002, he was the Corporate Controller of Elantec Semiconductor, Inc., a manufacturer of analog integrated circuits that was acquired by Intersil in 2002.

Mr. Ammann joined the Company in January 2014 as Executive Vice President, General Counsel and Secretary. Prior to joining the Company, Mr. Ammann served as the Executive Vice President, General Counsel and Secretary of publicly-traded United Online, Inc. where he had been since August 2006. Before working for United Online, Mr. Ammann served as the Senior Vice President, General Counsel and Secretary of publicly-traded TV Guide, Inc. from 1999 until its acquisition by Gemstar International Group Limited, at which time Mr. Ammann s responsibilities expanded as Senior Vice President and Deputy General Counsel of the combined Gemstar-TV Guide International entity. From 1996 to 1999, Mr. Ammann served as the Senior Vice President, General Counsel and Secretary, and oversaw the administrative operations, of publicly-traded United Video Satellite Group, Inc. From 1990 to 1996, Mr. Ammann held the position of Vice President of Administration and General Counsel of Flint Industries, Inc., a privately-owned

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EXECUTIVE OFFICERS

conglomerate based in Tulsa, Oklahoma. Upon graduating from law school, Mr. Ammann was an attorney at the law firm Gable & Gotwals, from 1980 to 1990, and was a partner for his last five years with that firm.

Mr. Beauchamp has been our Executive Vice President and General Manager, Signal Integrity Products Group since February 2014. Prior to his promotion, he was Senior Vice President and General Manager, Signal Integrity Products Group. Mr. Beauchamp was appointed Senior Vice President and General Manager of the Gennum Products Group in March 2012, following Semtech s acquisition of Gennum Corporation and held that title until December 2013. Mr. Beauchamp s group provides high-performance analog solutions to the data communications and video markets. Prior to his role at Semtech, Mr. Beauchamp was Senior Vice President and General Manager, Mixed Signal and Optical Products, for Gennum Corporation, which he joined in 2000. Between 1990 and 2000, Mr. Beauchamp held several management positions at COM DEV International.

Mr. Brown was promoted to Vice President and General Manager of the Power and High-Reliability Products Group in September 2015. Prior to his promotion, he was Vice President and General Manager of the High-Reliability Products Group since July 2014. Mr. Brown was Vice President, Test & Product Engineering from November 2009 to July 2014, and prior to that, held various other management positions within the Power Management and Communications Products Groups. Mr. Brown joined Semtech in 2000 and was part of the Communications Products Group located in the United Kingdom. After four years, he joined the Power Products Group and relocated to Semtech s headquarters office in Camarillo, California. Prior to Semtech, Mr. Brown worked for Credence Corporation and Philips Semiconductors.

Mr. Chang joined the Company in December 2017 as Senior Vice President, Corporate Marketing and Business Development. He oversees strategic growth initiatives for the Company, including China operations. Prior to joining Semtech, Mr. Chang was Chief Executive Officer at Alien Technology LLC, a global leader in RFID Technology, a position he held since 2014. Prior to Alien Technology, Mr. Chang served as Corporate Vice President at Marvell Semiconductor between 2011 and 2014. Mr. Chang has also held key executive positions in sales and finance functions at other prominent high technology companies including AMD, Silicon Graphics, and Eastman Kodak.

Mr. Costello has been our Vice President and General Manager of the Protection Products Group since March 2015. He held the position of Vice President of Engineering for Protection Products from June 2013. Prior to this appointment, he held the position of Director of Product Development. He joined the Company in 1996 and held several engineering and operations positions including Plant Manager for the Semtech Corpus Christi wafer fabrication plant and Operations Manager during the transition to fabless manufacturing. Prior to joining the Company, he developed advanced materials for optical and electronic applications at GEC-Marconi s research laboratories in Caswell, England.

Ms. Faltemier has been our Senior Vice President, Human Resources since February 2014. Ms. Faltemier joined the Company in January 2013 and was appointed Vice President, Human Resources. Prior to Semtech, she served as Senior Vice President, Human Resources for DTS, Inc., a consumer electronics licensing company from 2006 to 2012. Prior to DTS she was Sr. Vice President, Human Resources for Capstone Turbine Corporation from 2003 to 2006. Her more than 30 years of experience in the human resources field and business operations includes positions with Tyco International Ltd., Proctor & Gamble Corporation, Northrop Grumman Corporation and Boeing Company.

Mr. Kim became Senior Vice President of Worldwide Sales in November 2009. Mr. Kim was appointed Vice President of Worldwide Sales and Marketing in February 2007, after serving as Vice President of Global Handset Sales since March 2004. He was Director of Sales and Marketing for Korea and Japan from April 2000 to March 2004. He was Marketing Manager from May 1997 to April 2000. He has also held various engineering positions since beginning his employment with the Company in 1986.

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Mr. Pegulu has been our Vice President and General Manager of the Wireless and Sensing Products Group since June 2015. He held the position of Vice President of Wireless and Sensing Products from June 2014. Prior to this appointment, he held the position of Director of Marketing and Applications. Mr. Pegulu joined the Company in March 2006 and was involved in several key technology initiatives, including LoRa Wireless and Software Defined Modem technologies. Prior to joining the Company, he held positions in chips and systems development at Thomson CSF, Thales, ATMEL, and DibCom in France and China.

Mr. Silberstein is Senior Vice President, Worldwide Operations and Information Technology. His role was expanded in November 2016 to include the area of Information Technology. Mr. Silberstein was promoted to Senior Vice President, Worldwide Operations in February 2013. He became Vice President, Worldwide Operations in March 2011. Prior to that, Mr. Silberstein was Vice President, Operations, a position he held since he joined the Company in December 2010. Prior to joining the Company, he was employed from 2007 to 2010 at Microsemi Corporation (Microsemi) as Vice President Global Operations in its Analog Mixed Signal Division. Prior to Microsemi, he was Vice President Operations from 2000 to 2005 and Chief Operating Officer from 2005 to 2007 at Powerdsine, Israel, when Powerdsine was acquired by Microsemi. He has also previously served in various positions at 3Com and ECI Telecom.

Mr. Wilson has been our Executive Vice President, Quality and Reliability since February 2013. Prior to his promotion, Mr. Wilson was Senior Vice President, Quality and Reliability, a position he held since November 2011. Mr. Wilson was appointed Senior Vice President and Chief Technology Officer in May 2008 after serving as Senior Vice President of Power Management Products since June 2007 and serving as Vice President of that unit since 2001. He joined us as the result of the 1995 acquisition of ECI Semiconductor where he was Vice President and Chief Operating Officer. He has more than 20 years of experience in the semiconductor industry in a broad range of technical and management positions.

There are no family relationships between or among any of our executive officers or directors.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on our review of the SEC Forms 3, 4 and 5 and amendments thereto received by the Company, or written representations from reporting persons that they were not required to file such forms, the Company believes that, with respect to transactions during the fiscal year ended January 28, 2018, our officers, directors and beneficial holders of more than 10% of our common stock complied with all filing requirements under Section 16(a) of the Exchange Act.

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COMPENSATION DISCUSSION AND ANALYSIS

This section contains a discussion of the material elements of compensation awarded to, earned by or paid to our Chief Executive Officer, our Chief Financial Officer, and our three other most highly-compensated executive officers for services rendered during fiscal year 2018. These individuals are listed in the table below and are referred to as our Named Executive Officers, or NEOs, in this Proxy Statement.

Name	Title
Mohan R. Maheswaran	President and Chief Executive Officer (CEO)
Emeka N. Chukwu	Executive Vice President and Chief Financial Officer (CFO)
Gary M. Beauchamp	Executive Vice President and General Manager, Signal Integrity Products Group
James J. Kim	Senior Vice President, Worldwide Sales
Asaf Silberstein	Senior Vice President, Worldwide Operations and Information Technology

FISCAL YEAR 2018 PERFORMANCE

Following the strong performance delivered in fiscal year 2017, the Company s Board of Directors and the management team entered fiscal year 2018 with expectations that the momentum from the favorable secular growth trends from the Company s key growth engines would contribute to a record financial performance for fiscal year 2018 and increased total shareholder return (TSR). Accordingly, the Company s annual operating plan for fiscal year 2018, which formed the basis for the Company s fiscal year 2018 annual incentive plan as described below, reflected a significant increase in non-GAAP net revenues and even greater increase in non-GAAP operating income (as defined below) over fiscal year 2017 levels. In particular, the level of non-GAAP operating income required in fiscal year 2018 for our NEOs to earn their target annual cash incentive for the year was approximately 45% greater than the target non-GAAP operating income performance level for our annual incentive plan in fiscal year 2017, and approximately 29% greater than our actual performance against that metric in fiscal year 2017.

Actual non-GAAP net revenue and non-GAAP operating income performance for fiscal year 2018 exceeded the annual business plan and resulted in a new record annual financial performance. Following the release of our fourth quarter and full year results on March 14, 2018, the Company s common stock price appreciated significantly. We believe that the market reaction to our full year results is indicative of our strong performance during the year, including progress in establishing leadership market positions in the Internet of Things (IoT), 100 Gbps and the emerging 400 Gbps Datacenter and Mobility markets. We expect these markets to grow rapidly over the next few years and we believe the Company is well positioned to take advantage of this growth and deliver long-term shareholder value. The worldwide adoption of the Company s LoRa® devices and wireless radio frequency (RF) technology for low power wide-area networks (LPWAN) targeting the exciting IoT market delivered strong growth for the year and is becoming accepted as the *de facto* standard for LPWAN applications. In addition, the Company s strong portfolio of high speed connectivity optical platforms continues to gain momentum in penetrating hyper-scale datacenter customers. The Company also benefited from favorable secular trends in the mobile smartphone segment where it increased content in smartphone customers and has become an established leader in providing high-end protection platforms.

Two of our products groups, Signal Integrity and Wireless and Sensing, delivered new annual revenue records, while our Protection Products Group delivered another strong growth year. During the fiscal year, the Company remained focused on its core businesses and executed on a Company-wide strategic realignment to focus resources on our primary growth engines. As a result, our Power and High-Reliability Products Group has been integrated into our Wireless and Sensing Products Group to leverage and support the synergies associated with power management and our LoRa platform in the IoT market. In fiscal year 2018, we acquired AptoVision Technologies, which added over $150 million in additional market opportunity to address the exciting Pro-AV market. Other focused investments included ongoing investment in

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(a) MultiPhy Ltd. for our Signal Integrity platforms that support up to 100 Gbps and emerging 400 Gbps applications targeted at key datacenter segments; (b) minority investments made in support of the Company s LoRa wireless RF platforms; and (c) protection platforms targeted at high-end consumer applications and a broad range of industrial and communications applications. In addition to our strategic growth investments, we also made strategic investments to secure the consistent and continued supply of products and resources from our vendors. These investments included both capital equipment purchases and wafer supply investments. While such investments can have a negative short-term impact on our cash flows, the strategic importance of delivering products to fulfill our customers demands in future quarters propelled us to make the investments this past fiscal year.

Following the record results from fiscal year 2018, the Board of Directors and management team believe the Company is well positioned for another year of record financial performance and increased shareholder value.

SUMMARY OF FISCAL YEAR 2018 NAMED EXECUTIVE OFFICER COMPENSATION

Our fiscal year 2018 compensation policies and payouts reflect our overarching philosophy of pay-for-performance. Among the more significant aspects and results of our executive programs for our NEOs in fiscal year 2018 are the following, each of which is discussed in more detail below in this Compensation Discussion and Analysis (CD&A):

Emphasis on Performance-Based Incentives: A majority of the target compensation opportunity provided to our executives is awarded in the form of at-risk incentives for which the realized value varies based on our operating and/or share price performance. In addition, our incentive programs incorporate aggressive goals that measure both short and long term performance as well as, in the case of the bonus plan applicable to our CEO, performance relative to a peer group.

Selective Adjustments to Base Salary: Fiscal year 2018 base salaries of our CEO and CFO were unchanged from fiscal year 2017. The Compensation Committee approved base salary increases between 6.2% and 18.8% for our other NEOs to reflect their strong individual performance and increasing scope of responsibility. Specific factors considered in finalizing salary increases for the applicable NEOs are discussed in more detail below.

Challenging Performance Objectives: Despite our strong financial results in fiscal year 2018, but consistent with our pay-for-performance philosophy, our performance share awards tied to our performance for the year paid at below-target levels. In addition, the target level of non-GAAP operating income for the annual cash incentive plans applicable to our NEOs in fiscal year 2018 was approximately 45% greater than the target non-GAAP operating income performance level for our annual incentive plan in fiscal year 2017, and approximately 29% greater than our actual performance against that metric in fiscal year 2017. The Company s fiscal year 2018 performance exceeded the targeted levels for most metrics under our 2018 annual cash incentive plans for our NEOs. Accordingly, and consistent with our pay-for-performance philosophy, fiscal year 2018 annual cash incentives for our NEOs were paid between 94% and 100% of their targeted levels.

Modified Approach to Long-Term Incentives: In fiscal year 2018, the Compensation Committee approved a change in the mix of long-term equity incentives awarded to our NEOs to:

- Remove stock options from the compensation program;
- Increase the weighting of performance shares to represent approximately 50% of the target long-term incentive value granted, with the remaining 50% granted in the form of time-vesting restricted stock units (RSUs); and
- Introduce relative TSR as the performance metric for our performance shares, as described below.

2017 NONBINDING ADVISORY VOTE RESULTS

The Company s stockholders are provided with an opportunity to cast an annual non-binding advisory vote on the Company s executive compensation program through a say-on-pay proposal. At the Company s Annual Meeting of Stockholders held in June 2017, approximately 96% of the votes cast approved the executive compensation for our NEOs as described in our Proxy Statement for that Annual Meeting. As part of its normal process, the Compensation Committee reached out to certain Company stockholders in fiscal year 2017 to seek feedback on the Company s executive compensation program and in particular its long-term incentive program. After consideration of the feedback received in fiscal year 2017, the Compensation Committee determined that the Company s executive compensation policies for fiscal year 2018 would be similar to those in effect for fiscal year 2017, except that a greater percentage of our executives equity awards would be subject to performance-based vesting requirements and that we would use TSR as measured on a relative basis against an index of semiconductor companies to evaluate the Company s performance for these awards. The Compensation Committee will continue to reach out to and engage with certain of the Company s stockholders to seek their feedback or to review their voting guidelines and to consider the outcome of the Company s say-on-pay proposals when making future compensation decisions for the NEOs.

OUR GUIDING COMPENSATION PRINCIPLES

Core Philosophy

Our Compensation Committee believes that Company growth, financial performance, and increasing stockholder value depend to a significant degree on our ability to structure a compensation program that enables us to: (1) align the interests of our executives with the interests of our stockholders; (2) hold our executives accountable for performance, with appropriate performance-based rewards earned in return for superior performance and the risk of reduced or no payment or vesting for those awards if performance falls short of targeted levels; and (3) attract, retain, and motivate qualified and high-performing executives.

Core Components of Compensation and Compensation Levels

To achieve our executive compensation objectives, we have three primary components to our compensation program: (1) base salary; (2) annual cash incentive opportunities; and (3) long-term equity incentive awards. In setting specific base salary, target annual cash incentive and equity award levels for each NEO, the Compensation Committee considers and assesses, among other factors it may consider relevant, the following:

The compensation levels at our peer group of companies for comparable positions;

Various subjective factors relating to the individual recipient the executive s scope of responsibility, prior experience, past performance, advancement potential, impact on results, and compensation level relative to other Company executives; and

For equity awards, the executive s historical total compensation, including prior equity grants, tenure with the Company, the number and value of unvested shares and the timing of vesting of those awards, the expense to the Company for equity grants under applicable accounting standards, equity expense measured as a percentage of non-GAAP operating income, and the potential dilutive effect such grants may have on existing stockholders.

The Compensation Committee gives no single factor any specific weight. Except as otherwise noted below, the Compensation Committee does not target our executives compensation levels and elements of our executive compensation program to a specific market or peer group level. Each executive s compensation level, as well as the appropriate mix of equity award types and other compensation elements, ultimately reflects the Compensation Committee s business judgment in consideration of these factors and stockholder interests.

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Note that the Compensation Committee assesses executive compensation developments at companies in our peer group, and in the market generally, and has the right to change our executive compensation philosophy, components, levels, and structure from time to time as it may determine are in the best interests of the Company and our stockholders.

The following table presents the key elements of our executive compensation programs:

Key Elements of Compensation

Element	Purpose	Characteristics
Annual salary	To attract and retain qualified executives.	Provide a stable source of income and be competitive with the applicable market.
Short-term annual cash incentives	To attract and retain qualified executives; to motivate and reward achievement of annual business and individual goals and objectives designed to increase stockholder value.	This element involves annual performance-based cash awards. The amount earned (if any) varies based on actual results achieved relative to pre-determined annual target goals.
Long-term multi-year equity incentives	To align interests of executives with stockholders; to reward performance over time based on stock price; and to provide an additional retention incentive through multi-year vesting schedules.	Performance-based awards make up a significant component; the amount realized (i.e., the value ultimately received by the recipient) depends on the achievement of performance goals and/or is directly tied to our stock price performance.
Other compensation and benefits	To provide competitive and customary benefits (e.g., health insurance, life insurance, 401(k) retirement plans).	Company sponsored/subsidized benefit plans as provided to the general employee population, as well as Company matching contributions to selected employee contributory plans.

Distribution of Compensation

The Compensation Committee distributes compensation among each of the core elements on the basis of the element s usefulness to meet one or more of our compensation objectives. The Compensation Committee believes that for our executive officers, a significant proportion of total compensation should consist of (1) variable, performance-based components, such as annual cash incentives, which can increase or decrease to reflect changes in corporate and individual performance on an annual basis, and (2) equity compensation, which is structured to reinforce and encourage management s commitment to enhancing profitability and stockholder value over the long-term.

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For fiscal year 2018, total compensation (based on the compensation amounts reported in the Summary Compensation Table) for the Company s NEOs was distributed as follows:

Pay-for-Performance Philosophy

Our compensation program is designed to drive behavior that supports sustained shareholder returns and effective pay-for-performance outcomes over time. To achieve this objective, the executive compensation program approved by our Compensation Committee: (1) emphasizes, as noted above, performance-based and equity compensation; (2) balances short-term performance incentives provided by the annual cash incentive plan with long-term performance incentives provided by equity awards; (3) balances the use of absolute performance metrics versus relative performance metrics evaluated against selected peers; and (4) balances the use of formula-based performance criteria versus criteria involving the exercise of judgment by the Compensation Committee.

The Compensation Committee believes that executive compensation should be based primarily on objectively determinable factors, both for the Company on its own, as well as in comparison to peer companies. Performance goals may include non-GAAP operating income, net revenue growth, TSR, earnings per share (EPS) and other financial and operational metrics, both on an absolute basis or relative to our group of peer companies. The Compensation Committee also believes that executive compensation should have a component based additionally, although not primarily, on subjective factors, such as leadership, how well each executive helps the Company achieve its strategic goals, each executive s ability to develop subordinates, and how each executive s efforts contribute to enhancing the Company s relationship and status with the investor community. The use of both objective and subjective factors, however, does not prevent the Compensation Committee from adjusting compensation up or down if, after considering all of the relevant circumstances, it believes total compensation can be structured to better serve our stockholders interests.

Because the Compensation Committee believes the goals established for the annual bonus plan are rigorous and will be achieved only if the Company performs at a high level, the Compensation Committee sets the target opportunity for the annual cash incentive plan above the median for comparable positions in our peer group to provide appropriate incentives for strong performance. Consistent with this approach, annual cash incentives for our NEOs generally paid out at substantially less than the targeted levels for fiscal years 2015 and 2016, at greater than the targeted levels for fiscal year 2017, and at or slightly below targeted levels for fiscal year 2018. Also, as explained in more detail below, the bonus plan applicable to our non-CEO NEOs pays 80% of the financial component of the bonus plan when achieving 100% of the non-GAAP operating income goal of the plan. Our non-CEO NEOs would receive 100% payout for the key financial goal portion of their target annual cash incentive upon achievement of 105% of plan.

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BEST PRACTICES

We also believe that stockholder interests are further served by other executive compensation-related practices that we follow. These practices include:

No Minimum Payouts. We do not have minimum payment levels under our Executive Bonus Plan, our CEO Bonus Plan or for our performance-based equity awards.

Long-Term Equity Incentives. All of our equity incentive awards have multi-year vesting and/or performance requirements, with approximately 50% of the target value of equity granted to our named executive officers having both time- and performance-vesting requirements.

No Material Perks. We do not provide significant perquisites.

No Tax Gross-Ups. We do not pay taxes on our executives behalf through gross-up payments (including excise tax gross-up payments in connection with a change in control transaction).

Executive Change in Control Retention Plan Has No Single-Trigger Benefits. Our Executive Change in Control Retention Plan has a double-trigger provision (benefits require both a change in control and termination of employment) rather than a single-trigger provision (under which benefits are triggered automatically by any change in control).

No Re-Pricing of Stock Options. We prohibit re-pricing of underwater stock options (stock options where the exercise price is below the then-current market price of our stock) without stockholder approval.

Executives Subject to Stock Ownership Guidelines. Our executive officers are subject to stock ownership guidelines, under which the executives are expected to acquire and maintain a specified level of equity ownership in the Company. The CEO s targeted level of ownership is five times his annual base salary, while our other NEOs targeted level of ownership is two times their annual base salary.

Equity Award Holding Period Requirements. We amended our stock ownership guidelines in August 2016 to include equity award holding period requirements. If an executive officer s level of ownership of Company common stock does not satisfy the targeted level under our stock ownership guidelines, the executive officer is expected to hold at least 50% of the net vested shares acquired upon the exercise, payment or vesting of any Company equity award granted to the executive officer after August 17, 2016.

Clawback Policy. The Company maintains a clawback policy that allows our Board of Directors or the Compensation Committee to require reimbursement or cancellation of awards or payments made under our cash and equity incentive plans to the Company s officers in certain circumstances where the amount of the award or payment was determined based on the achievement of financial results that were subsequently the subject of an accounting restatement due to material noncompliance with applicable securities laws.

Anti-Hedging Policy. Our Stock Trading Guidelines prohibit our officers and directors from engaging in hedging transactions in relation to the Company s stock or equity awards.

Anti-Pledging Policy. Our Stock Trading Guidelines prohibit our officers and directors from pledging any Company stock that they own.

Stockholder Engagement. We seek annual stockholder feedback on our executive compensation program.

Independent Compensation Consultant. Our Compensation Committee retains an independent compensation consultant for independent advice and market data.

Role of Management, Consultants and Others in Determining Compensation

All decisions regarding compensation of our executive officers are made by the Compensation Committee. The Compensation Committee provides regular updates to the Board of Directors regarding its decisions.

Our CEO provides recommendations to the Compensation Committee regarding the compensation of our executive officers (other than for himself). Our CEO further participates in the executive compensation decision-making process as follows:

- Presents overall results of the Company s performance and achievement of historical and go-forward business objectives and goals from management s perspective;

- Provides evaluations for other executive officers (including our NEOs, other than himself); and

- Reviews peer group information and compensation recommendations and provides feedback regarding the potential impact of proposed compensation decisions (other than regarding himself).

Our CFO evaluates the financial implications of the Company s compensation programs. Other executive officers (including other NEOs) may periodically participate in the compensation process and in Compensation Committee meetings at the invitation of the Compensation Committee to advise on performance and/or activity in areas with respect to which these executive officers have particular knowledge or expertise. None of our NEOs are members of the Compensation Committee or otherwise had any role in determining the compensation of the NEOs.

Role of Committee Advisors

The Compensation Committee may engage the services of outside advisors, experts and others to assist the Compensation Committee. Additionally, the Compensation Committee evaluates our compensation policies and practices in comparison to the published standards and guidelines of third-party proxy advisory services used by many institutional investors. During fiscal year 2018, the Compensation Committee engaged the services of Compensia, Inc. (Compensia) as an independent executive compensation advisor.

During fiscal 2018, Compensia provided support on the following matters:

- the review and analysis of the compensation for our executive officers, including our CEO and the other Named Executive Officers;

- the design of our executive long-term equity incentives, including using a relative TSR performance measure;

- the research, development, and review of our compensation and CEO Bonus peer groups;
- the determination of payouts under our performance share program and CEO bonus plan; and
- advised the Compensation Committee on trends in compensation plans, compensation governance, and relevant regulatory matters.

Compensia did not provide any additional services or products to the Company during fiscal year 2018 beyond the services relating to its support of the Compensation Committee. The Compensation Committee reviewed the services provided by Compensia and considered the factors prescribed by the Securities and Exchange Commission (the SEC) and The Nasdaq Stock Market to assess the independence of compensation advisors. Based on its review, the Compensation Committee determined that no conflicts of interest exist between the Company and Compensia and believes that Compensia is independent.

Role of Peer Companies

The Compensation Committee considers various factors and criteria when determining annual salary, target annual cash incentive levels and target annual long-term incentive award values for executives, including

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survey data and compensation practices at selected peer companies. The applicable group of peer companies is selected annually for use as the comparative pool by the Compensation Committee during the course of the fiscal year. As noted above, the Compensation Committee also relies on peer company data as gathered, and analyses of that data prepared by our compensation consultants. The peer company information assists the Compensation Committee and the Company in identifying and understanding how our competitors and industry-comparable companies compensate their executives in applicable compensation elements, and in determining how the Company s compensation packages compare to industry and market-competitive amounts. In addition to aiding us with compensation related actions and decisions, this peer company evaluation is also informative in relation to providing compensation information that supports potential recruitment and retention of executives by the Company.

In selecting our fiscal year 2018 peer group companies, the Compensation Committee focused on publicly-traded companies based in the United States (U.S.) that are similar to us in terms of industry, general size and business characteristics, and, like us, focus their business on analog and mixed-signal semiconductors and integrated circuits. Additionally, the Compensation Committee generally sought to limit the group of peer companies to those that have annual revenue between 50% and 200% of the Company s annual revenue and market capitalization between 33% and 300% of the Company s market cap at the time of the peer selection. The Compensation Committee selected the following companies as the peer group of companies for purposes of its fiscal year 2018 executive compensation determinations (collectively, the Peer Group):

Alpha and Omega Semiconductor Limited	Linear Technology Corporation
Cavium, Inc.	MACOM Technology Solutions Holdings, Inc.
Cirrus Logic, Inc.	MaxLinear, Inc.
Diodes Incorporated	Microsemi Corporation
Integrated Device Technology	Monolithic Power System, Inc.
Inphi Corporation	Power Integrations, Inc.
Intersil Corporation	Rambus, Inc.
IXYS Corporation	Silicon Laboratories Inc.
Lattice Semiconductor Corporation	

Inphi Corporation, MACOM Technology Solutions, MaxLinear, Inc., and Rambus, Inc. had not been included in the executive compensation peer group for fiscal year 2017 but were included by the Compensation Committee in the Peer Group used for making fiscal year 2018 decisions based on the committee s assessment of the criteria noted above.

COMPONENTS OF OUR 2017 EXECUTIVE COMPENSATION PROGRAM

Annual Salary

Annual salaries are intended to provide a base level of compensation to executive officers for serving as the senior management of the Company and are paid to our executives in recognition of the skills, experience and day-to-day contributions the executive makes to the Company. Salaries for our NEOs are generally reviewed by the

Compensation Committee on an annual basis. Each review does not necessarily result in an adjustment. However, as deemed appropriate at any time to help ensure ongoing market competitiveness in annual salary as an element of total compensation, the Compensation Committee may elect to provide for adjustments in annual salary. In setting base salary levels for our NEOs, the Compensation Committee considers the factors noted above under Core Components of Compensation and Compensation Levels and prior changes to the executive s compensation. For newly-hired executives, the Compensation Committee also considers the executive s compensation history and the compensation required to attract the executive to the Company. There is no specific weighting applied to any of these factors in setting annual salaries and the process ultimately relies on the subjective exercise of the Compensation Committee s judgment.

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In February 2017, the Compensation Committee approved salary increases for three of our NEOs as detailed below:

Named Executive Officer	FY17 Annual Salary	FY18 Annual Salary	Percent Increase (FY18 vs. FY17)
Mr. Maheswaran	$ 600,000	$ 600,000	0.0%
Mr. Chukwu	$ 375,000	$ 375,000	0.0%
Mr. Beauchamp (1)	$ 312,099	$ 370,681	18.8%
Mr. Kim	$ 325,000	$ 345,000	6.2%
Mr. Silberstein	$ 310,000	$ 340,000	9.7%

(1) Mr. Beauchamp s annual base pay is converted from Canadian dollars (CAD) to U.S. dollars (USD) using a conversion rate of 1CAD = USD 0.81109 which was the CAD to USD conversion rate as of January 28, 2018.

The Compensation Committee determined to approve salary increases for Mr. Beauchamp in light of his strong leadership of the Signal Integrity Products Group over the last five years, for Mr. Silberstein to reflect his increased duties in overseeing our information technology function and effective management of the operations group, and for Mr. Kim in light of his strong performance overseeing the Company s worldwide sales.

Executive Bonus Plan

Annual cash incentive awards are designed to motivate executive officers to achieve certain strategic, operational, and financial goals which can be evaluated on an annual basis. Annual cash incentive goal setting is done as part of the annual fiscal year business planning activity of the Company. Company business goals are established at the beginning of each fiscal year by an interactive process between the Board and management. The end result of this annual business planning process is the Company s fiscal year Annual Business Plan (ABP), which is reviewed and approved by the Board at its first regular meeting in the applicable fiscal year.

As part of the process used by the Compensation Committee in adopting the fiscal year ABP, the Compensation Committee reviews the goals of each NEO with respect to their business unit or corporate function. The Compensation Committee also reviews the fiscal year ABP in light of available business intelligence, forecasts, and projections with the objective that, in the judgment of the Compensation Committee, superior performance would be required to achieve the objectives. For the CEO, the Board weighs four factors; (1) non-GAAP Operating Income Performance, (2) net revenue growth (year-over-year), (3) Earnings Per Share (EPS) Growth and net revenue growth as compared to the CEO Bonus Peers (defined below), and (4) the evaluation of the CEO s individual performance by the Board of Directors. The Compensation Committee believes that this approach results in having consistent financial performance targets apply for annual cash incentive purposes from the senior executive level to the middle management and functional professional employees serving the Company.

The ABP financial goals to be used for annual cash incentive purposes are established on a non-GAAP basis. As used in this Proxy Statement, non-GAAP operating income means our operating income, adjusted to exclude from the applicable financial measure, as reported for purposes of our financial statements, items such as share-based compensation, restructuring, integration, transaction and other acquisition-related expenses, intangible amortization and impairments, and other items which would not otherwise have been incurred by the Company in the normal course of the Company s business operations or are not reflective of the Company s core results over time. The Compensation Committee believes that the excluded items do not reflect the primary operating performance of the Company. The Company reports the exclusions reflected in the calculation of non-GAAP amounts each quarter when it publicly reports its earnings.

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Each executive has a target annual cash incentive potential that is set as a percentage of annual base salary. That target annual cash incentive is set by the Compensation Committee for each executive officer position after considering the factors noted above under Core Components of Compensation and Compensation Levels and the target annual cash incentive levels of comparable positions among our Peer Group. There is no specific weighting applied to any of these factors in setting the target annual cash incentive levels and the process ultimately relies on the subjective exercise of the Compensation Committee s judgment.

As noted above, the Compensation Committee sets what it believes to be aggressive annual business plan goals for the cash incentive plan. The approach of the Compensation Committee is to set business plan goals such that, in its judgment, achievement of those goals will result in the Company generally outperforming its peer group of companies. Because the Compensation Committee believes the goals established for the annual bonus plan are rigorous and will be achieved only if the Company performs at a high level, the Compensation Committee sets the target opportunity for the annual cash incentive plan above the median for comparable positions in our peer group to provide appropriate incentives for strong performance. Consistent with this approach, annual cash incentives for our NEOs generally paid out at substantially less than the targeted levels for fiscal years 2015 and 2016, at greater than the targeted levels for fiscal year 2017, and at or slightly below targeted levels for fiscal year 2018. Also, as explained in more detail below, even if the Company achieved 100% of the target level of the key financial goal, the program only pays 80% for that portion of the target annual cash incentive. An NEO would receive 100% payout for the key financial goal portion of their target annual cash incentive upon achievement of 105% of plan.

Executive Bonus Plan (excluding CEO)

Our NEOs (other than our CEO) participate in an annual cash incentive program (referred to herein as the Executive Bonus Plan). The Executive Bonus Plan provides each executive with an opportunity to earn an annual cash incentive based on the Company s performance in relation to certain pre-established annual financial goals as well as the executive s individual performance.

For fiscal year 2018, the target annual cash incentive potential (expressed as a percentage of base salary) for each of our NEOs (other than our CEO) was as follows:

Named Executive Officer	Target Annual Cash Incentive as Percentage of Base Salary
Mr. Chukwu Executive Vice President and Chief Financial Officer	80%
Mr. Beauchamp Executive Vice President and General Manager, Signal Integrity Products Group	80%
Mr. Kim	80%

Senior Vice President, Worldwide Sales	
Mr. Silberstein	
Senior Vice President, Worldwide Operations and Information Technology	70%

Target annual cash incentive amounts were the same as in fiscal year 2017 for each of these NEOs.

Under the Executive Bonus Plan, each executive s target annual cash incentive for fiscal year 2018 was scored in two parts. Fifty percent (50%) of the target annual cash incentive potential was based on the Company s attainment of a key financial goal for the fiscal year (the Company Performance Portion) as set by the Compensation Committee at the start of the fiscal year. The remaining fifty percent (50%) of the executive s target annual cash incentive potential was based on the executive s individual performance for the fiscal year (the Individual Performance Portion). The Compensation Committee believes this allocation between Company and individual performance creates an appropriate balance between achieving short term (one year) financial objectives and longer term infrastructure and product expansion goals. In particular, during fiscal year 2018 the NEOs again dedicated significant time towards further development of the Company s LoRa technologies and support of LoRaWAN network deployments, including growth in the membership of the LoRa Alliance . The further development of signal integrity products for emerging 400 Gbps applications targeted at datacenter and 10Gbps passive optical networking (PON) applications was also an area of focus for the NEOs. The Compensation Committee also reviews the NEOs individual contributions in support of the Company s Annual Business Plan. The Compensation Committee believes that allocating 50% of the annual target incentive for the NEOs (other than the CEO) to the individual performance component provides it with the flexibility to incentivize and reward achievements that promote the long-term growth and success of the Company.

Additionally, the Compensation Committee retains broad discretion to adjust (up or down, including withholding entirely) part or all of a proposed annual cash incentive payment.

Company Performance Portion of Fiscal Year 2018 Executive Bonus Plan (excluding CEO)

As described above, the financial goals are established by the Compensation Committee at the start of the applicable fiscal year. For fiscal year 2018, the key financial performance goal established by the Compensation Committee was non-GAAP operating income. The Compensation Committee believes non-GAAP operating income is currently the best measure of the Company s core operating performance, as it reflects the essential results of ongoing base business functions and results without the impact (positive or negative) of extraordinary and non-operational matters. The Compensation Committee further believes that non-GAAP operating income, as the metric used for the fiscal year financial performance goal, focuses performance on the parallel objectives of increasing revenue and controlling operating expenses.

The target set for fiscal year 2018 non-GAAP operating income was $160,000,000 which was approximately 29% higher than our non-GAAP operating income achieved for fiscal year 2017 as taken into account in determining fiscal year 2017 bonuses for the NEOs. In the judgment of the Compensation Committee in light of available business intelligence, forecasts and projections at the time it established this goal, superior performance would be required to achieve the goal. The Compensation Committee also established a scoring matrix to determine the percentage of the Company Performance Portion payable based on actual 2018 non-GAAP operating income performance against the fiscal year 2018 goal of $160,000,000 as follows:

(1) Non-GAAP operating income less than 80% of the target level: pay none of the Company Performance Portion

(2) Non-GAAP operating income at 80% of the target level: pay 50% for the Company Performance Portion

(3) Non-GAAP operating income at 90% of the target level: pay 60% for the Company Performance Portion

(4) Non-GAAP operating income at 100% of the target level: pay 80% for the Company Performance Portion

(5) Non-GAAP operating income at 105% of the target level: pay 100% for the Company Performance Portion

(6) Non-GAAP operating income at 130% of the target level or above: pay 150% for the Company Performance Portion

Our fiscal year 2018 non-GAAP operating income of $161,200,000 was 101% of the $160,000,000 goal for the year. Based on this result and the matrix above, the Compensation Committee determined that 80% of the Company Performance Portion would be paid.

Individual Performance Portion of Fiscal Year 2018 Executive Bonus Plan (excluding CEO)

For each executive s Individual Performance Portion of the Executive Bonus Plan, the Compensation Committee receives and considers the CEO s subjective managerial assessment of the executive. The CEO

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evaluates several key executive performance criteria in his overall evaluation of individual executive performance with no specific weight being applied to any one factor. Matters evaluated include:

(1) Performance of the business or functional unit or department the executive is responsible for managing.

(2) The executive s contributions to achievement of the Company s financial and operational goals and strategic objectives.

(3) The ability of the executive to lead and develop key subordinates.

(4) Related individualized and function-specific managerial observations and impressions of executive job performance.

Based on the individual performance assessment, an executive may receive from 0% to 200% of the target for the Individual Performance Portion as recommended by the CEO (for NEOs other than himself) and approved by the Compensation Committee.

The Individual Performance Portion for each NEO reflects the Compensation Committee s assessment of the performance of the department or business unit the executive is responsible for, the executive s individual performance as assessed by the CEO, and the executive s contributions to the Company s overall operating performance. The following NEO achievements in fiscal year 2018 were highlighted in the Compensation Committee s determinations:

NAMED EXECUTIVE OFFICER	KEY ACCOMPLISHMENTS
Mr. Chukwu	Key accomplishments: Instrumental in providing strong leadership in improving Company operating margins. Strengthened financial organization capabilities while achieving record financial performance. Successfully managed tax planning, minimizing the tax impact of the 2017 Tax Reform Act.
Mr. Beauchamp	Key accomplishments: Delivered record Signal Integrity Products Group net revenues driven by growth in clock and data recovery, passive optical network, and physical medium dependent net revenues. Lead AptoVision Technologies acquisition further expanding Signal Integrity Product Group s addressable market.
Mr. Kim	Key accomplishments: Realigned the sales organization to create a global IoT/LoRa sales team while achieving record net revenues. Also recorded record design wins for fiscal year 2018.
Mr. Silberstein	Key accomplishments: Successfully managed suppliers to deliver record net revenues while consolidating the supplier base. Established die bank and substrate buffer stock to address

market opportunities. Strong leadership of the Company s Information Technology function.
After consideration of the factors and accomplishments described above, the Committee approved the following individual performance factors: Mr. Chukwu 120%; Mr. Beauchamp 80%; Mr. Kim 109% and Mr. Silberstein 120%.

Total Fiscal Year 2018 Executive Bonus Plan Payments (excluding CEO)

The combination of the Company Performance Portion and the Individual Performance Portion for each NEO resulted in the following annual cash incentive payments to the NEOs for fiscal year 2018 under the Executive Bonus Plan. The Compensation Committee did not exercise any discretion to adjust final payment amounts once they had been determined based on the Company and Individual Performance Portions.

NAMED EXECUTIVE OFFICER	TARGET BONUS	ACHIEVED BONUS
Mr. Chukwu	$ 300,000	$ 300,000
Mr. Beauchamp	$ 296,545	$ 237,236
Mr. Kim	$ 276,000	$ 260,400
Mr. Silberstein	$ 238,000	$ 238,000

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CEO Bonus Plan

The Company maintains an annual cash incentive plan for our CEO (the CEO Bonus Plan). The CEO Bonus Plan was established in recognition of the unique role of the CEO and the desire to provide him an incentive to achieve additional goals that are not measured in the Executive Bonus Plan. Under the CEO Bonus Plan, the CEO has a target annual cash incentive potential expressed as a percentage of base salary, which the CEO is eligible to receive based on the achievement of certain absolute and relative financial goals and on the Board s assessment of the CEO s overall performance. The CEO Bonus Plan provides that, depending on performance, the CEO s annual cash incentive payout in any year may range from 0% to 200% of the CEO s annual base salary level. For fiscal year 2018, the target annual cash incentive for Mr. Maheswaran was 125% of his annual base salary (or $750,000), which was the same target annual cash incentive percentage that had been in effect for him in fiscal year 2017.

The CEO Bonus Plan contained four weighted factors: (1) non-GAAP Operating Income Performance; (2) net revenue growth (year-over-year); (3) EPS growth and net revenue growth as compared to the CEO Bonus Peers; and (4) the evaluation of the CEO s individual performance by the Board of Directors. These factors and their weighting are described below:

Non-GAAP Operating Income Performance 25% of the CEO s annual cash incentive was based on the Company s attainment of non-GAAP operating income goals ($160,000,000, which was approximately 29% higher than our non-GAAP operating income achieved for fiscal year 2017 as taken into account in determining the fiscal year 2017 bonus for the CEO). This portion of the CEO Bonus Plan used the same non-GAAP operating income target as under the Company Performance Portion of the Executive Bonus Plan as discussed above. Attainment of this portion of the CEO Bonus Plan is calculated by reference to the following chart indicating the level of Company performance and the corresponding percentage of attainment.

Non-GAAP Operating Income as a Percentage of the Target	Percentage of Attainment
Below 85% of the target	0%
85% of the target	50%
95% of the target	70%
100% of the target	100%
120% of the target	140%
130% of the target	150%
150% of the target or better	200%

Net Revenue Growth 25% of the CEO s annual cash incentive was based on net revenue growth goals. Attainment of this portion of the CEO Bonus Plan is calculated using the following formula (provided the resulting percentage cannot be greater than 200% or less than 0%):

$$\text{Attainment Percentage} = 100\% \text{ multiplied by } \frac{\text{(Fiscal year 2018 net revenue minus prior fiscal year 2017 net revenue)}}{\text{(Net revenue from the 2018 Annual Business Plan minus prior fiscal year 2017 net revenue)}}$$

EPS and Net Revenue Growth compared to CEO Bonus Peers 20% of the CEO s annual cash incentive was based on the Company s achievements in net revenue growth and EPS growth, as measured relative to such growth at the following companies (collectively, the CEO Bonus Peers), which were selected and established as the CEO Bonus Peers by the Compensation Committee at the start of fiscal year 2018:

Analog Devices, Inc.; Inphi Corporation; Integrated Device Technology, Inc.; Macom Technology Solutions; Maxim Integrated Products, Inc.; MaxLinear, Inc.; Microsemi Corporation; Monolithic

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Power Systems, Inc.; ON Semiconductor Corporation; Power Integrations, Inc.; Silicon Laboratories, Inc. and Texas Instruments Incorporated.

For each CEO Bonus Peer, EPS growth and net revenue growth were measured by comparing that company s performance levels for the company s fiscal year that ends with or during the Company s 2018 fiscal year against the company s performance levels for its immediately preceding fiscal year, in each case as reflected in its reported financial information.

The Compensation Committee determined that it was appropriate to use a different set of companies for CEO Bonus Plan purposes as compared to the Peer Group used generally for compensation comparisons identified above. These fiscal year 2018 CEO Bonus Peers were specifically selected for use to measure our CEO s performance based on similarities to the Company in terms of industry focus, business unit product lines, business characteristics, and status as a competitor of the Company in whole or in material part. Since this group of companies was used to measure performance as described above and not as a reference point to establish actual compensation levels, the Compensation Committee did not feel it necessary or appropriate to limit the group of companies considered based on the size of the company. The selected group of companies establishes an industry-representative set of directly competitive companies, and the Compensation Committee believes that comparison to and measurement against the performance of the CEO Bonus Peers provides a meaningful performance incentive to Mr. Maheswaran.

Attainment of this portion of the CEO Bonus Plan is calculated by reference to the following chart indicating the level of Company performance and the corresponding percentage of attainment. As indicated in the chart, if the Company did not achieve the threshold 50th percentile level for either the EPS growth metric or the net revenue growth metric, no payout would be made for this component.

Net Revenue Growth Relative to CEO Bonus Peers	Earnings Per Share Growth Relative to CEO Bonus Peers	Percentage of Attainment
Below 50th percentile	Below 50th percentile	0%
Below 50th percentile	50th percentile or better	50%
50th percentile or better	Below 50th percentile	50%
At or above 50th percentile but below 75th percentile	At or above 50th percentile but below 75th percentile	100%
75th percentile or better	At or above 50th percentile but below 75th percentile	150%
At or above 50th percentile but below 75th percentile	75th percentile or better	150%
75th percentile or better	75th percentile or better	200%

Board of Directors CEO Performance Evaluation 30% of the CEO s annual cash incentive is based on the assessment by the Board (excluding the CEO) of the CEO s overall performance and leadership. The Board evaluates the CEO s individual performance in five major categories:

1. Strategy including establishment of, and attainment in relation to, annual and longer-range strategic objectives.

2. Operations including overall operational effectiveness and results, measured in part by factors such as effectiveness in research and development spending, costs of quality, and revenue per employee metrics.

3. Finance and Human Capital including overall quality, transparency and accuracy of financial reporting both external and to the Board, and overall employee morale, retention rates, and motivation.

4. Board Relations including overall level, frequency, availability, and materiality of interactions with and reports to the Board of Directors in his capacity as CEO.

5. Stockholder Relations and Value including analyst, investor, and overall market assessment of the Company as an industry leader and high quality investment.

Evaluation of the CEO s individual performance by the Board involves, by its nature, subjective judgments made in good faith, in considering factors that are included in and relevant to the major categories noted above. The Board considers all of these factors to be equally weighted in making its evaluation.

The Chairman of the Board provides the summarized results of this annual evaluation to the Compensation Committee. The Compensation Committee considers the evaluation report and establishes an award from 0% to 200% of the target attributable to this factor.

As noted above for the Executive Bonus Plan, the Compensation Committee retains broad discretion (up or down, including withholding entirely) part or all of a proposed annual cash incentive payment to the CEO.

Fiscal Year 2018 CEO Bonus Plan Targets and Results

Non GAAP Operating Income Performance The non-GAAP operating income goal and scoring matrix for the CEO Bonus Plan are the same as that set forth for the Executive Bonus Plan described above under Executive Bonus Plan Company Performance Portion of Fiscal Year 2018 Executive Bonus Plan (excluding CEO). For fiscal year 2018, the non-GAAP operating income goal was set at $160,000,000 as a part of the ABP process. This goal was approximately 29% higher than our non-GAAP operating income achieved for fiscal year 2017 and taken into account under our fiscal year 2017 CEO Bonus Plan ($124,203,000). At the time the fiscal year 2018 non-GAAP operating income goal was set, the Compensation Committee s judgment was that this goal would be difficult to achieve. For fiscal year 2018, the non-GAAP operating income achieved was $161,200,000, resulting in a 100% payout for this portion of the CEO Bonus Plan.

Net Revenue Growth (Year-over-Year) The net revenue goal established by the Board in the fiscal year 2018 ABP was $600,000,000, which reflected revenue growth of $55,700,000 or 10.2% above actual 2017 net revenue. The Compensation Committee believed that, in the general economic environment at the time the net revenue growth goal was being established, with the global business forecasts available to us, achieving that specified level of net revenue would be challenging yet achievable. The net revenue taken into account under the CEO Bonus Plan for fiscal year 2018 was $604,000,000 (which included an adjustment of $16.2 million of share-based compensation associated with the issuance of a warrant to Comcast), resulting in a 107% payout for this portion of the CEO Bonus Plan.

Performance Relative to CEO Bonus Peers based on EPS Growth and Net Revenue Growth This portion of the CEO Bonus Plan is based on a combination of the Company s net revenue growth and EPS growth as compared to the CEO Bonus Peers identified above. The Company s EPS growth for the full fiscal year 2018 was an increase of 36.2% year-over-year. This EPS performance was at the 83rd percentile relative to the CEO Bonus Peers. The Company s net revenue for the full fiscal year 2018 was an increase of 11% year-over-year. This net revenue growth performance was at the 47th percentile of the CEO Bonus Peers. The combined performance on net revenue growth and EPS growth resulted in a 50% payout for this portion of the CEO Bonus Plan.

Board of Directors CEO Individual Performance Evaluation In addition to considering financial results, the Board also evaluated the CEO s performance for fiscal year 2018 in the five individual performance categories noted above. Specifically, the Board considered the Company s achievements realized in fiscal year 2018 under the CEO s leadership including the further development of membership of the LoRa Alliance to over 500 members, a fifty percent (50%) increase in the number of countries that have LoRa networks either in trials or deployments, and the commercial launch of LoRa geolocation by two nationwide operators. The Board considered the CEO s performance in this regard to be superior. Other key

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achievements under the leadership of the CEO included the further development of signal integrity products that support the emerging 400 Gbps applications and the expansion of their addressable market through the acquisition of AptoVision Technologies. The Board believes these and other achievements in fiscal year 2018 well-position the Company to take advantage of some of the industry s fastest-growing markets including Internet of Things (IoT), datacenter and associated markets, passive optical networking (PON), 4G/LTE wireless base stations, high-end consumer devices, and emerging automotive infotainment markets. The Committee also considered the Board s comments and input on the performance of the CEO in the five major categories discussed above. Taking these items into account, the Compensation Committee established an individual performance factor of 120% for this portion of the CEO Bonus Plan. Even though fiscal year 2018 resulted in record annual financial performance, Mr. Maheswaran s individual performance factor was below the levels established by the Compensation Committee for both fiscal years 2017 and 2016. In addition, Mr. Maheswaran s total CEO bonus payment for fiscal year 2018 was approximately 39% below the level he received for fiscal year 2017. Also, beginning in fiscal year 2019, the individual performance percentage for Mr. Maheswaran s CEO bonus has been reduced from 30% to 20%.

CEO Annual Cash Incentive Payment for Fiscal Year 2018

Based on the established goals and the results described above, for fiscal year 2018, Mr. Maheswaran received a total payout under the CEO Bonus Plan of $733,125, equal to 97.75% of his target annual cash incentive amount.

Equity Incentive Awards

The Compensation Committee believes that equity incentive awards serve to align the interests of executives with those of the Company s stockholders, complement annual cash incentives by motivating executives to create and sustain value in the Company, and encourage our executives to avoid taking excessive risks that might have a significant short term or prolonged negative impact on our stock price. The equity award vehicles used in fiscal year 2018 were:

- time-based restricted stock unit awards that vest in three equal annual installments (Time-Based Units); and

- performance-based restricted stock units that vest based on our TSR relative to a benchmark of comparable semiconductor companies over 1-, 2- and 3-year performance periods (Performance-Based Units).

Each of these equity award vehicles constituted approximately 50% of the total target value of equity granted to our named executive officers for fiscal 2018. These equity awards were different in several key respects from the awards we granted to our NEOs in fiscal 2017:

- We did not grant stock options.

Equity awards with performance-based vesting represent approximately 50% of the total equity awarded to our named executive officers.

For the performance-based awards, we used relative TSR to measure Company performance rather than a combination of revenue and non-GAAP operating income goals used for the fiscal 2017 awards.

The Compensation Committee approved these changes based on (1) a comprehensive review of our executive compensation strategy that began during our fiscal year 2017, (2) input from some of the Company s stockholders that they preferred to see a greater portion of the equity incentive mix for our named executive officers include awards with performance-based vesting requirements, and (3) input from the Compensation Committee s independent compensation consultant as well as market practice among companies included in the Company s compensation peer group. The Compensation Committee concluded that granting equity awards in the form of a mix of restricted stock units and performance-based restricted stock units would be more aligned with general executive compensation practices for the Peer Group and that, for performance-based equity awards, relative TSR would be an effective measure for evaluating our performance over a sustained time horizon while adjusting for broader market conditions in a volatile industry sector. The availability of an index comprised of a group of comparable semiconductor companies provides a strong benchmark for comparison of our relative TSR performance, and the use of relative TSR as a performance metric supplements the financial metrics we use to evaluate performance under our bonus plan.

Our equity incentive awards are subject to multi-year vesting. The equity awarded to our named executive officers in fiscal 2018 vests over three years. This multi-year element serves as a significant holding period in terms of requiring the executive to retain the underlying equity interest until some future date following the grant date of the award. The Compensation Committee believes that the inclusion of this vesting period component further aligns the long-term interests of the executive with the long-term interests of the Company s stockholders and functions as a retention incentive for the executive.

In granting equity awards, the Compensation Committee considers the factors noted above under Core Components of Compensation and Compensation Levels and the value of such awards in comparison to awards to comparable executives within our Peer Group. There is no specific weighting applied to any of these factors and the process ultimately relies on the Compensation Committee s judgment. The grant-date value of equity-based incentives granted to our NEOs during fiscal year 2018, while determined on an individual basis, was generally positioned above the median for comparable positions within our Peer Group. The Compensation Committee believed that positioning these values to generally be above the median for comparable positions for the Peer Group was balanced by the performance-based restricted stock units having targeted goals that the Compensation Committee believed would be difficult to obtain. For example, and as previously noted, the performance-based restricted stock unit awards granted by the Company with performance periods ending in fiscal years 2016, 2017 and 2018, respectively, paid out at below-target levels or were forfeited with no payment.

Restricted Stock Unit Awards

Our restricted stock unit awards represent a contingent right to receive one share of our common stock or, in the Compensation Committee s discretion, the payment of cash for each unit in an amount equal to the fair market value of our common stock. The Compensation Committee believes that grants of Time-Based Units are particularly useful to motivate executives to avoid undue risk and to align their interests with those of our stockholders, since our grants of restricted stock unit awards have intrinsic economic value which correlates directly to our stock price. Thus, the value of a restricted stock unit award can go up or down depending on the changes to our stock price over time. While restricted stock unit awards will always have some intrinsic value as long as our stock remains marketable, we believe our executives are motivated to seek to increase the intrinsic value through Company performance that is reflected in favorable and sustainable increases in our stock price. We also believe that actions or business decisions carrying risks that might reduce our stock price are discouraged by the correlation between the intrinsic value of these awards and the growth of our stock price. In addition, the Time-Based Units serve as a retention incentive over the multi-year vesting period. Time-Based Units granted to our NEOs vest annually over three years from the date of grant, subject to the executive s continued employment with the Company.

Performance-Based Restricted Stock Units

The Performance-Based Units granted to the NEOs in fiscal year 2018 are eligible to vest based on the Company s TSR relative to the TSR of the S&P SPDR Semiconductor ETF (NYSE:XSD) (the Index). The Index was selected for this purpose because of its focus on the semiconductor industry and because it is a modified equal-weighted index, which means that (as opposed to a market capitalization-weighted index) it provides relatively greater exposure to mid- and small-cap stocks.

A target number of Performance-Based Units is covered by each award, with one-third of the target number of units allocated to each of the three performance periods covered by the award (with the first period

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consisting of our 2018 fiscal year, the second period consisting of our 2018 and 2019 fiscal years, and the third period consisting of our 2018, 2019 and 2020 fiscal years). Between 0% and 200% of the target number of units allocated to each of those periods is eligible to vest based on our relative TSR performance through the end of that period determined as follows:

Relative TSR Percentage	Award Multiplier
+50% or greater	200%
+25%	150%
0%	100%
-30%	25%
Less than -30%	0%

The Relative TSR Percentage for a performance period is equal to our TSR for that period minus the TSR of the Index for that performance period. For these purposes, TSR for both the Company and the Index is calculated based on the average prices over the 30-trading-day period preceding the performance period and the 30-trading day period ending with the last day of the performance period and assuming in each case that all dividends issued over the performance period are reinvested as of the payment date. The Award Multiplier is applied to the target number of shares allocated to the applicable performance period. If the Relative TSR Percentage falls between two levels in the table above, the Award Multiplier will be determined using straight line interpolation between those levels. In addition, if the Company s TSR for a particular performance period is negative, the Award Multiplier for that performance period is capped at 100%.

Fiscal Year 2018 Annual Equity Incentive Awards

For fiscal year 2018, the Compensation Committee granted our NEOs annual Time-Based Units and Performance-Based Units covering, in the aggregate, the number of shares of our common stock set forth in the following table. As noted above, the Compensation Committee believed that this mix of awards was consistent with our performance-based philosophy as a substantial portion of each NEO s total annual equity awards was performance-based, except for the awards granted to Mr. Beauchamp. The Compensation Committee granted an additional 10,000 Time-Based Units to Mr. Beauchamp in recognition of his five years of strong leadership of the Signal Integrity Product Group.

Executive	Time-Based Units	Performance-Based Restricted Stock Units (Target)
Mr. Maheswaran	65,000	70,000
Mr. Chukwu	15,451	16,996
Mr. Beauchamp	25,451	16,996
Mr. Kim	15,451	16,996
Mr. Silberstein	15,451	15,451

Vesting of Fiscal 2018 Performance-Based Awards

As noted above, the first performance period for the fiscal 2018 Performance-Based Units awarded to our named executive officers consisted of our 2018 fiscal year. Our Relative TSR Percentage for the fiscal year and the Award Multiplier are shown in the table below.

Year of Grant	Measurement Period	% of Target Award Tied to Period	SMTC TSR	Index TSR	Relative TSR Percentage	Award Multiplier (% of Target Units Vesting)
Fiscal 2018	1 year Ending FYE18	33 1/3%	10.77%	27.46%	-16.69%	58.27%

Unearned units associated with the one-year measurement period of the fiscal year 2018 Performance-Based Unit awards were forfeited and are no longer eligible to be earned. The remaining two-thirds of the total number of Performance-Based Units granted in fiscal year 2018 remain outstanding and eligible to vest based on our relative TSR performance during two- and three-year performance periods corresponding to our fiscal year 2018-2019 and our fiscal year 2018-2020, respectively.

Vesting of 2016-2018 Performance-Based Restricted Stock Unit Awards

At the beginning of our fiscal year 2016, we granted performance-based awards to each of our named executive officers that covered a three-year performance period consisting of our fiscal years 2016-2018. The following matrix reflects the payout level (the unshaded boxes, as a percentage of the target number of units subject to the award) established for the awards, with the payout level determined based on the Company s actual cumulative net revenue and actual cumulative non-GAAP operating income for fiscal years 2016-2018 (the shaded areas in the chart) and determined by linear interpolation for performance between the indicated levels.

2016-2018 Performance-Based Restricted Stock Unit Award: Payout Matrix

		Operating Income (3-year Cumulative)							
		<$374MM (70%)	**$374MM** (70%)	**$427MM** (80%)	**$481MM** (90%)	**$534MM** (100%)	**$587MM** (110%)	**$641MM** (120%)	**>=$694MM** (130%)
Net Revenue (3-Year Cumulative	**>=$2,407MM** (120%)	0%	100%	110%	115%	120%	145%	175%	200%
	$2,207MM (110%)	0%	90%	100%	105%	110%	130%	160%	180%
	$2,006MM (100%)	0%	80%	90%	95%	**100%**	120%	140%	160%
	$1,805MM (90%)	0%	70%	80%	85%	90%	110%	125%	140%
	$1,605MM (80%)	0%	50%	60%	70%	80%	90%	105%	120%
	<$1,605MM (80%)	0%	0%	20%	35%	50%	65%	80%	100%

The performance targets were set by the Compensation Committee at the start of fiscal year 2016.

At the end of fiscal 2018, the Compensation Committee determined that the payout percentage for these awards would be 54.5% of the target number of shares subject to each executive s award. The Company s cumulative net revenue for the performance period was $1.644 billion, and its non-GAAP operating income was $377 million for the performance period. This result includes an adjustment to our reported non-GAAP operating income that was approved by our Compensation Committee to reflect changes to our business strategy during the three-year performance period. Shortly after approving the performance targets for the fiscal year 2016-2018 performance period, the Company took several actions to reduce operating expenditures. Two areas that the Board of Directors and management team believed should not be reduced or delayed related to the establishment of several laboratories to support the development of our LoRa product and the implementation of a new company-wide SAP system. The Compensation Committee believed that these strategic investments were essential to drive LoRa technology to become the de-facto standard of the IoT and to enhance our infrastructure to reduce cyber security risks, and determined that it would review these costs at the end of the three-year performance period when considering the Company s performance against the three-year plan. Consistent with that intent, the Compensation Committee determined to exclude costs totaling $11.8 million from our cumulative three-year non-GAAP operating income that related to unplanned lab costs associated with the development of our LoRa product and implementation of a new company-wide SAP system. These changes had the impact of increasing our non-GAAP operating income for purposes of these awards from $365 million to $377 million, or approximately 3%. The Compensation Committee determined that these adjustments to non-GAAP

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operating income would apply only to the fiscal 2016-2018 performance equity awards and would not, since the Compensation Committee had taken the costs into account in setting the applicable goals for the fiscal 2018 cash annual incentive plan and performance-based equity awards granted after the fiscal 2016-2018 performance equity awards, apply for purposes of either the fiscal 2018 cash annual incentive plan or outstanding performance-based equity awards that cover a three-year performance period consisting of fiscal years 2017-2019.

Executive Ownership Restricted Stock Units

As described below under Other Compensation Policies Stock Ownership Guidelines, the Compensation Committee has adopted stock ownership guidelines for our executive officers. In fiscal year 2009, the Compensation Committee approved a program that provided for grants of additional restricted stock units (referred to as Executive Ownership Restricted Stock Units or OSUs) to certain of our executives to help them achieve the level of stock ownership targeted by the Compensation Committee under the guidelines.

In August 2014, the Compensation Committee determined that annual equity grants to our executives should be more than sufficient to help them satisfy the level of ownership targeted by the Compensation Committee under the guidelines. Consequently, the Committee determined to phase out the special Executive Ownership Restricted Stock Units grants so that an executive officer commencing employment with the Company after August 13, 2014 will not receive such grants under this program.

An executive s eligibility to participate in the program also terminates five years after the date the executive first becomes subject to a stock ownership requirement. As a result of the Compensation Committee s decision to terminate this program, only two Company executives, and none of the NEOs, remained eligible to receive any additional grants under the program as of April 2018. One executive s eligibility will expire during fiscal year 2019 and the other in fiscal year 2020. In fiscal year 2018, there were no grants of Executive Ownership Restricted Stock Units to any of the NEOs.

For more information regarding the equity awards granted to the NEOs during fiscal year 2018, see the Grants of Plan-Based Awards in Fiscal Year 2018 table and the accompanying narratives in this Proxy Statement.

CEO Special Performance Long-Term Incentive Award

As previously disclosed in the Proxy Statement for our 2015 and 2016 Annual Meetings of Stockholders, the Company made a special equity award grant to our CEO in February 2014 (the Special CEO Award).

Vesting of the Special CEO Award was structured such that vesting would only occur if the Company s stock price were to reach specified levels in excess of the stock price on the day of the grant. Specifically, the Special CEO Award is eligible to vest during the period commencing February 26, 2014 and ending February 26, 2019 (the Performance Period) as follows: 30% of the restricted stock units covered by the Special CEO Award will vest if, during any consecutive 120-day calendar period that commences and ends during the Performance Period, the average per-share closing price of the Company s common stock equals or exceeds $35.00; and the Special CEO Award would vest in full if, during any consecutive 120-day calendar period that commences and ends during the Performance Period, the average per-share closing price of the Company s common stock equals or exceeds $40.00. The Special CEO Award would also vest if a majority change in control of the Company occurs during the Performance Period and, in connection with such event, the Company s stockholders become entitled to receive per-share consideration having a value equal to or greater than $40.00. Any restricted stock units subject to the Special CEO Award that do not vest during the Performance Period will terminate as of the last day of the Performance Period. In addition, if Mr. Maheswaran s employment with the Company terminates, any then unvested restricted stock units subject to the Special CEO Award will terminate.

On July 14, 2017, the first tranche of the award (representing 30% of the total award or 66,000 stock units) vested as the $35.00 stock price target described above was achieved.

Other Compensation

Perquisites and Benefits

During fiscal year 2018, we did not provide any significant perquisites to our NEOs. The Company provides our NEOs with certain benefits at the same level and offering made available to our other employees generally, including participation in our 401(k) retirement plan, health care plans, life insurance plans, and other welfare benefit programs. The Company also reimburses each NEO for the cost of an annual physical exam. The Compensation Committee believes that this benefit helps protect the health of the executive team at a relatively small cost to the Company.

In addition to the standard benefits offered to all of our employees generally, our U.S.-based executives and other employees who are specifically approved by the Compensation Committee are eligible to participate in our Deferred Compensation Plan, which allows our executives to elect to defer annual salary and/or annual cash incentive income. The Deferred Compensation Plan is unfunded and unsecured; however, the Company maintains life insurance policies on the lives of certain current and former participants in the plan, the benefit and accrued value of which is intended to cover a majority of the plan s accrued liability. For fiscal year 2018, the Company matched, on a dollar-for-dollar basis, up to the first 10% of employee base salary contributions for our CEO, our Chief Financial Officer and our General Counsel, up to the first 8% for participants at the Vice President level, and up to the first 5% for all other participants. The Compensation Committee believes that providing the NEOs with this deferred compensation opportunity is a cost-effective way to permit the executives to receive the tax benefits associated with delaying income tax on the compensation deferred, even though the related deduction for the Company is also deferred. For more information on our Deferred Compensation Plan, please see Non-Qualified Deferred Compensation Plan-Fiscal Year 2018 in this Proxy Statement.

Severance

The Compensation Committee evaluates the level of severance benefits, if any, to be provided to an NEO on a case-by-case basis. Currently, Mr. Maheswaran is our only NEO covered by an agreement with the Company that provides for severance benefits outside the context of a change in control transaction.

At the time Mr. Maheswaran was hired in 2006, the Compensation Committee determined that providing him with certain severance protections was a material inducement to attracting him to the Company and was appropriate in light of his position within the Company, his overall compensation package and the post-employment restrictions he would be subject to after he no longer works for the Company. Pursuant to the terms of Mr. Maheswaran s offer letter, originally entered into in March 2006 and as subsequently amended (the Offer Letter), in the event Mr. Maheswaran s employment with us is terminated for reasons other than death, disability or cause, or if he terminates his employment for good reason within 30 days of an event giving rise to good reason, he will be entitled to 12 months of his annual salary, and 12 months continued welfare plan (medical, dental, life and long-term disability insurance) coverage. The terms cause and good reason are defined in the Offer Letter. These severance benefits are contingent on Mr. Maheswaran s execution of a release agreement which, among other things, releases the Company from liability relating to his employment and the termination of his employment.

Change in Control Benefits

Equity Plan Change in Control Benefits

Under the terms of our stockholder approved equity incentive plans, if there is a change in control of the Company and the successor entity does not assume the obligation for the stock options or other equity-based awards, or the awards do not otherwise remain outstanding after the transaction, then most unvested stock options and other equity based awards (other than Performance-Based Units, described below) will

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become fully vested as a result of the transaction. If the successor entity does assume the obligation for stock options or other equity-based awards in the change in control transaction, then in the event of a loss of employment within 12 months following a change in control, due to termination of employment by the Company without cause or a constructive termination of the participant (as those terms are defined in the applicable plan), certain then unvested stock options and other equity based awards (but not including Performance-Based Units granted under the Company s 2008 Long-Term Equity Incentive Plan (the 2008 Plan) and its 2013 Long-Term Equity Incentive Plan (the 2013 Plan) will become fully vested.

For our outstanding Performance-Based Units granted before fiscal year 2018, on a change in control, if the surviving entity does not assume or continue the applicable award in effect per its original terms, and unless otherwise expressly provided for in an applicable award or participation agreement, as to any then outstanding and unvested Company equity awards that are subject to performance-based vesting conditions, the number of shares or units subject to the award will be adjusted to equal the target number of shares or units subject to the award, and such adjusted equity award will remain subject to any time-based vesting requirements under the original terms of the award (and will be subject to any accelerated vesting with respect to time-based vesting equity awards as described above).
Mr. Beauchamp, a Canadian resident, joined the Company as part of its acquisition of Gennum Corp., and has significantly different severance benefit protections under Canadian law. While most of our NEOs participate in the Semtech Corporation Executive Change in Control Retention Plan (the CIC Plan), Mr. Beauchamp does not in light of these Canadian severance protections. Under a transitional arrangement negotiated with Mr. Beauchamp because he does not participate in the CIC Plan (the Transitional Agreement), as to any such Performance-Based Unit award granted to Mr. Beauchamp and outstanding at the time of a change in control, the target number of shares subject to the award would vest on the change in control if the change in control occurs before September 1, 2018. This automatic accelerated vesting provision applicable to Mr. Beauchamp s Performance-Based Units does not apply to the Performance-Based Units granted to any of our other NEOs and will expire on September 1, 2018.

As to our 2018 PSU Awards, in the event of a change in control in which the Company s stock ceases to be publicly-traded, the number of units subject to any portion of the award as to which the performance period did not end before the closing of the change in control will become fixed based on the Company s TSR relative to the TSR of the Index for a shortened performance period ending with the change in control. In such circumstances, a pro-rated portion (based on the portion of the performance period elapsed before the transaction) of the number of units that become fixed on the change in control will accelerate and be paid upon the closing of the transaction. The balance of the units will remain subject to the time-based vesting condition applicable to the awards through the end of the original applicable performance periods (unless the awards were to be terminated in connection with the transaction and not assumed by an acquiring company, in which case these units would also vest on the closing of the transaction). If the executive s employment terminates in circumstances on or after a change in control that entitle the executive to severance benefits under the CIC Plan described below or the executive s offer letter, the time-based vesting conditions applicable to the award would no longer apply and the remaining units subject to the award (after giving effect to the performance measurement on the change in control) would accelerate and become payable on the separation. Under Mr. Beauchamp s Transitional Agreement, as to the 2018 PSU Award granted to Mr. Beauchamp, if the award is outstanding at the time of a change in control then the number of units subject to the award that become fixed in connection with the change in control will vest at that time if the change in control occurs before September 1, 2018. This automatic accelerated vesting provision of Mr. Beauchamp s award does not apply to the 2018 PSU Awards granted to any of our other NEOs and will expire on September 1, 2018.

Deferred Compensation Plan

Our Deferred Compensation Plan provides for vesting of account balances attributable to Company matching contributions on involuntary termination of employment within 18 months of a change in control.

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Executive Change in Control Retention Plan

The Compensation Committee believes that providing severance protections to our executive officers should a change in control occur is in the best interests of the Company and our stockholders in order to provide additional retention incentives to the selected executive officers and to encourage them to remain employed with the Company during an important time when their prospects for continued employment following a change in control transaction are often uncertain. On December 19, 2014, the Compensation Committee adopted the Semtech Corporation Executive Change in Control Retention Plan (the CIC Plan). Mr. Maheswaran s Offer Letter includes severance protections, discussed above. Accordingly, he does not participate in the CIC Plan. Mr. Beauchamp is employed in Canada and covered by severance protections applicable under local law. Accordingly, Mr. Beauchamp does not participate in the CIC Plan. Our other NEOs participate in the CIC Plan.

The CIC Plan provides for certain severance benefits if the participant s employment with the Company terminates in certain circumstances in connection with a change in control (as defined in the CIC Plan). If the CIC Plan participant s employment is terminated by the Company other than for cause (as defined in the CIC Plan) or by the participant for good reason (as such terms are defined in the CIC Plan), in either case during a change in control window, the participant will be entitled to receive certain severance benefits. For these purposes, a change in control window is defined as the period (1) beginning on the earlier of (a) 90 days prior to a change in control or (b) the execution of a definitive agreement to effect a transaction that, if consummated in accordance with the proposed terms, would constitute a change in control (provided that the transaction with the party to the definitive agreement is actually consummated within one year following the execution of such definitive agreement and such transaction actually constitutes a change in control), and (2) ending on the second anniversary of such change in control. A more detailed description and discussion of the CIC Plan is found below in this Proxy Statement in the report on Executive Compensation, under the heading Potential Payments on Termination or Change in Control.

The CIC Plan does <u>not</u> provide for automatic accelerated vesting of equity awards upon a change in control transaction. The CIC Plan does <u>not</u> include a tax gross-up provision. Instead, if any payment or benefit received by a participant in the CIC Plan in connection with a change in control of the Company would have been subject to any excise taxes imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the Excise Tax), such payments and benefits will either be reduced (but not below zero) as necessary to avoid the participant incurring any such Excise Tax or be paid in full (with the participant paying any Excise Tax due), whichever places the participant in the best after-tax position (taking into account federal, state and local income taxes and the Excise Tax).

A more detailed description of the CIC Plan is found below in this Proxy Statement in the report on Executive Compensation, under the heading Potential Payments on Termination or Change in Control.

CEO Change in Control Arrangements

As noted above, Mr. Maheswaran does not participate in the CIC Plan. Severance protections for Mr. Maheswaran are provided in his Offer Letter. Mr. Maheswaran s Offer Letter provided that he would be entitled to certain enhanced severance benefits if, within 12 months following a change in control (as defined in the Offer Letter), his employment with us is terminated for reasons other than death, disability or cause, or if he had terminated his employment for good reason within 30 days of an event giving rise to good reason. In December 2014, the Compensation Committee determined that it was advisable to amend Mr. Maheswaran s Offer Letter to conform to certain of the provisions of the CIC Plan to provide consistency in these provisions among the executive team and to provide for a new five-year term that will expire on December 19, 2019, subject to earlier termination upon a termination of Mr. Maheswaran s employment. The Offer Letter amendments provide that, instead of severance benefits being triggered by a termination of his employment with us within 12 months following a change in control under the circumstances described above, Mr. Maheswaran would be entitled to such enhanced severance benefits if his employment with us is terminated under the circumstances described above during a change in control window. For these purposes, a change in control window has the same meaning as provided under the CIC Plan. In the event

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COMPENSATION DISCUSSION AND ANALYSIS

the employment of Mr. Maheswaran is terminated under such circumstances, he would be entitled to cash severance benefits equal to two times his annual salary, two times his target annual cash incentive, a pro-rated annual cash incentive for the fiscal year of the termination, and up to 24 months continued welfare plan (medical, dental, life and long-term disability insurance) coverage.

We believe it is appropriate to provide these protections for Mr. Maheswaran for the same reasons we provide benefits under the Change in Control Plan to the other NEOs as described above. Mr. Maheswaran s Offer Letter also provides severance protections should his employment be terminated in certain circumstances outside of a change in control window. These provisions were negotiated with Mr. Maheswaran when he joined the Company.

Mr. Maheswaran is not entitled to a tax gross-up for any Excise Tax. Instead, Mr. Maheswaran s payments and benefits payable in connection with a change in control will either be reduced, but not below zero, as necessary to avoid Mr. Maheswaran incurring any such Excise Tax or be paid in full, with Mr. Maheswaran paying any Excise Tax due, whichever places Mr. Maheswaran in the better after-tax position.

For more information on our severance and change in control arrangements with the NEOs, including a more detailed description of Mr. Maheswaran s Offer Letter, please see Potential Payments on Termination or Change in Control below in this Proxy Statement.

Other Compensation Policies

Stock Ownership Guidelines and Equity Award Holding Period Requirements

To further our objective of aligning the interests of management with those of our stockholders, the Company maintains stock ownership guidelines for our executive officers. Under these guidelines, each of our executive officers is to maintain a level of equity ownership of the Company (which may include shares of the Company s stock owned by the executive, by the executive s spouse or minor children residing with the executive, or in a trust for estate or tax planning purposes that is revocable by the executive or the executive s spouse, stock options, restricted stock, and restricted stock units) that has a value approximately equal to two times (five times in the case of the CEO) the annual base salary of such executive officer. We amended our stock ownership guidelines in August 2016 to include equity award holding period requirements. If an executive officer s level of ownership of Company common stock does not satisfy the targeted level under our stock ownership guidelines, the executive officer is expected to hold at least 50% of the net vested shares acquired upon the exercise, payment or vesting of any Company equity award granted to the executive officer after August 17, 2016. For this purpose, the net vested shares generally means the number of shares acquired pursuant to the award less the number of any shares sold or withheld to pay the exercise price of the award (in the case of stock options) or any applicable tax withholding obligations in connection with the exercise, payment or vesting of the award. The applicable ownership level is expected to be achieved within five years of the effective date of the guidelines for officers serving as of the adoption of the guidelines.

Description of Employment Arrangements

All of our NEOs are employed on an at-will basis and none of our NEOs are employed under the terms of an employment agreement for a fixed term. We do, however, issue written offer letters from time to time to prospective executives that set forth their initial terms of compensation and other material terms including, in the case of

Mr. Maheswaran, post-termination severance obligations, and we provide certain severance protections under the CIC Plan, as described above under Other Compensation Severance.

Section 162(m) Considerations

Federal income tax law generally prohibits a publicly-held company from deducting compensation paid to a current or former named executive officer that exceeds $1 million during the tax year. Certain awards granted before November 2, 2017 that were based upon attaining pre-established performance measures that were set by the Company s Compensation Committee under a plan approved by the Company s stockholders, as well as amounts payable to former executives pursuant to a written binding contract that was in effect on November 2, 2017, may qualify for an exception to the $1 million deductibility limit.

As one of the factors in its consideration of compensation matters, the Compensation Committee notes this deductibility limitation. However, the Compensation Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its stockholders, including awarding compensation that may not be deductible for tax purposes. There can be no assurance that any compensation will in fact be deductible.

Clawback Policy

The Company maintains a clawback policy that allows our Board of Directors or the Compensation Committee to require reimbursement or cancellation of awards or payments made under our cash and equity incentive plans to the Company s officers in certain circumstances where the amount of the award or payment was determined based on the achievement of financial results that were subsequently the subject of an accounting restatement due to material noncompliance with applicable securities laws.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the disclosures contained in the Compensation Discussion and Analysis section of this Proxy Statement. Based on this review and our discussions, the Compensation Committee has recommended to ou