SEMTECH CORP
Form DEF 14A
May 06, 2016
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.
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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Semtech Corporation

200 Flynn Road,

Camarillo, California 93012

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 16, 2016

To Our Stockholders:

Notice is hereby given that the 2016 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 16, 2016 at 11:00 a.m., Pacific Time. The purposes of the meeting are to:

1. elect nine 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 2017;
3. consider an advisory resolution to approve executive compensation; and
4. transact any other business which may properly come before the 2016 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 2016 Annual Meeting of Stockholders was the close of business on April 22, 2016. 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 16, 2016: Our Proxy Statement is attached. Our financial and other information is contained in our Annual Report to Stockholders for fiscal year 2016. 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 2016, including our Form 10 K for the fiscal year ended January 31, 2016, are available at http://investors.semtech.com/ar2016 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 2016 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 6, 2016

Camarillo, California

ATTENDING THE 2016 ANNUAL MEETING OF STOCKHOLDERS

For stockholders of record, the Notice of Internet Availability of Proxy Materials is your ticket to the 2016 Annual Meeting of Stockholders. Please present your ticket together with picture identification when you reach the registration area at the 2016 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 2016 Annual Meeting of Stockholders. Please note that you cannot vote your shares at the 2016 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.

SEMTECH CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

June 16, 2016

PROXY STATEMENT

The Board of Directors ("Board") of Semtech Corporation (the "Company," "we," "us" or "our"), 200 Flynn Road, Camarillo, California, 93012, furnishes this proxy statement (this "Proxy Statement") in connection with its solicitation of proxies to be voted at the 2016 Annual Meeting of Stockholders to be held at the Courtyard Marriott, 4994 Verdugo Way, Camarillo, California 93012 on Thursday, June 16, 2016 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 6, 2016. The Company's Annual Report on Form 10 K for fiscal year 2016 ("Annual Report"), including financial statements for the fiscal year ended January 31, 2016, 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 nine directors to hold office until the next annual meeting of stockholders or until their successors are duly elected and qualified. The nominees are:<br>Mr. Glen M. Antle<br>Mr. James P. Burra<br>Mr. Bruce C. Edwards<br>Mr. Rockell N. Hankin<br>Ms. Ye Jane Li<br>Mr. James T. Lindstrom<br>Mr. Mohan R. Maheswaran<br>Dr. Carmelo J. Santoro<br>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 2017. | For ratification for fiscal year 2017 |
| 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 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 22, 2016 (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 22, 2016.

What percentages of stock do the directors and officers own?

Together, they own about 2.1% of the Company's common stock as of April 22, 2016. 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?

Recordholders: 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 all proposals 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 auditors 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, 65,236,682 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 nine 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.

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.

ELECTION OF DIRECTORS

(Proposal Number 1)

Nine 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, John L. Piotrowski had notified the Board on August 12, 2015 that he will not stand for re election at the Annual Meeting. Ms. Ye Jane Li joined the Board on February 25, 2016. The Board has voted to reduce its size from ten to nine directors effective immediately before the Annual Meeting. With the exception of our newest Board Member, Ms. Li, 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

| Name, Age as of April 22, 2016, and Positions with the Company | Principal Occupation, Business Experience, Directorships and Qualifications |
|---|---|
| Rockell N. Hankin<br>Age 69<br>Director since 1988, Chairman of the Board since 2006<br>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.<br><br>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.<br><br>Qualifications: Mr. Hankin's qualifications to serve as a member of the Board include his 27 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. |

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| James P. Burra<br>Age 73<br>Director since 1991,<br>Vice Chairman of the Board since 2007<br>Audit Committee (since February 25, 2016<br><br>Compensation Committee (June 2015-February 2016)<br>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.<br><br>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.<br><br>Qualifications: Mr. Burra's qualifications to serve as a member of the Board include his 24 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. |
| Glen M. Antle<br>Age 77<br>Director since 2002<br>Compensation Committee | Retired executive. Acting Chief Executive Officer of Trident Microsystems, Inc., a former public company, from November 2006 to October 2007. Trident Microsystems is a semiconductor and related electronic components manufacturer. Chairman of the Board of Directors of Quickturn Design Systems, Inc., an electronic design automation company, from June 1993 to June 1999. Co founded ECAD, Inc., now Cadence Design Systems, Inc., and served as Chief Executive Officer and Chairman of its Board of Directors from 1982 to 1988.<br><br>Director of Trident Microsystems, Inc. from 1992 to February 2010 and Chairman of the Board of Directors of Trident Microsystems, Inc. from November 2006 to November 2009.<br><br>Qualifications: Mr. Antle's qualifications to serve as a member of the Board include his management experience with technology companies and his executive experience as a Chief Executive Officer, as well as his experience as a director and a Chairman of a former publicly traded semiconductor company which we believe provides our Board with a valuable perspective and understanding of our business. |

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| Bruce C. Edwards<br>Age 62<br>Director since 2006<br>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. Also a director of Xirrus Corporation, a privately held company and provider of high performance wireless networks since July 2010. 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 and private companies. |

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| Ye Jane Li<br><br>Age 48<br><br>Director since February 25, 2016<br><br>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 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. Her background and experience also provides the board with invaluable insights into Asian markets, which are important strategic markets for us. |
| James T. Lindstrom<br>Age 70<br>Director since 2002<br>Audit Committee Chair | Chief Operating Officer of Kilopass Technology, Inc., a semiconductor intellectual property company. 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. |
| | Director of Lexra, Inc., a private company and provider of semiconductor intellectual property cores, from 1999 until company dissolution in December 2009. |
| | 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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| Mohan R. Maheswaran<br>Age 52<br>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; 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<br>Age 74<br>Director since 2013<br>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 CEO 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, and McCain, Inc., a private company that specializes in delivering traffic system supplies and high technology traffic control systems since 2008. Has been a director of more than 28 public and private companies over the past 30 years. |
| | 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<br>Age 63<br>Director since 2013<br>Audit Committee<br><br>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.<br><br>Director of Alcatel-Lucent since May 2015. Director of Headwaters, Inc. since January 2013, a public company providing products, technology and services to the heavy construction materials, light buildup product and energy industry. Previously served as a director of public companies, including JNI Corporation from 2001 to 2003, Riverstone Networks from 2002 to 2006 and Gadzoox Networks, Inc. from 2001 to 2003 where she served on the audit and compensation committees.<br><br>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. |

## 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.

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. 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 2016, the Company continued with enterprise risk assessment evaluations conducted with Audit Committee oversight and participation. The enterprise risk assessment reviews and work performed during fiscal year 2016 were based on the framework and methodologies first used for risk assessment purposes in an initial enterprise risk assessment conducted in fiscal year 2010. The results of the fiscal year 2016 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 2016, 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 26, 2015, 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 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 seven regularly scheduled meetings and 23 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 2015.

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 ("NACD"). 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 | Member | | Member |
| Glen M. Antle | | Member | |
| Bruce C. Edwards | | Chair | |
| Ye Jane Li (1) | | Member | |
| James T. Lindstrom | Chair | | |
| John L. Piotrowski (2) | Member | | |
| Carmelo J. Santoro | | Member | |
| Sylvia Summers | Member | | Member |
| Number of meetings during fiscal year 2016 | 12 | 6 | 5 |

(1) Ms. Li joined the Board and became a member of the Compensation Committee, effective February 25, 2016.
(2) As disclosed in a Current Report on Form 8 K filed on August 18, 2015, Mr. Piotrowski notified the Board on August 12, 2015 that he would not seek re election as a director at the Company's 2016 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 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, consultants 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 26, 2015 through January 31, 2016, 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
- 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

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.

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 2017 Annual Meeting of Stockholders (the "2017 Annual Meeting") must be received no later than March 18, 2017; 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 2017 Annual Meeting if notice of such nomination is not received by the Company by March 18, 2017. 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

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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.

STOCKHOLDER PROPOSALS

Stockholder Proposals to be included in Next Year's Proxy Statement

The Company must receive stockholder proposals for the 2017 Annual Meeting no later than January 6, 2017 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 2017 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 2017 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 2017 Annual Meeting if notice of such proposal is not received by the Company by March 18, 2017. 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 (10th) 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.

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 2016, the cash retainer fees payable to Non Employee Directors were as follows:

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| 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 2016 were made from the 2013 Long-Term Equity Incentive Plan (the "2013 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 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 2016

The following table presents information regarding the compensation of individuals who were Non Employee Directors during fiscal year 2016 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 2016 (1)

| Name | Fees Earned or Paid in Cash ($) | Stock Awards (2) ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|
| Chairman Hankin | 103,928 | 129,981 | – | 233,909 |
| Vice Chairman Burra | 60,000 | 129,981 | – | 189,981 |
| Mr. Antle | 55,000 | 129,981 | – | 184,981 |
| Dr. Baker (2) | 16,250 | – | – | 16,250 |
| Mr. Edwards | 65,000 | 129,981 | – | 194,981 |
| Mr. Lindstrom | 65,000 | 129,981 | – | 194,981 |
| Mr. Piotrowski | 55,000 | 129,981 | – | 184,981 |
| Dr. Santoro | 55,000 | 129,981 | – | 184,981 |
| Ms. Summers | 58,928 | 129,981 | – | 188,909 |

(1) Ms. Li is not listed in the above table since she was appointed to the Board after the end of our fiscal year 2016.

(2) As disclosed in a Current Report on Form 8-K filed on August 18, 2014, W. Dean Baker notified the Board on August 14, 2014 that he would not seek re-election as a director at the Company's 2015 Annual Meeting of Stockholders, but would continue serving as a director until the date of the Annual Meeting.

(3) 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 31, 2016. The awards are valued as of the grant date disregarding any estimate of forfeitures related to service based vesting conditions. Dr. Baker forfeited 101 unvested restricted stock units upon his retirement from the Board; otherwise, none of our Non-Employee Directors forfeited any Company equity awards in fiscal year 2016. On July 1, 2015, each Non Employee Director then in office was awarded as his or her Annual Deferred RSU Award 3,553 restricted stock units that settle in cash and as his or her Annual Non-Deferred RSU Award 3,045 restricted stock units that settle in shares. Each type of award vests on June 15, 2016. The fair value of each such restricted stock unit on the grant date was $19.70 and the fair value of the awards on the grant date were $69,994 for each Annual Deferred RSU Award and $59,987 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 31, 2016:

Outstanding Awards at End of Fiscal Year 2016 (1)

| Director | Number of Shares Subject to Outstanding Option | Number of Outstanding Restricted Stock Units-Cash Settled | Number of Outstanding Restricted Stock Units-Share Settled |
|---|---|---|---|

| Name | Since | Awards at Fiscal Year End | | | At Fiscal Year End | | | At Fiscal Year End | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Vested | Unvested | Total | Vested | Unvested | Total | Vested | Unvested | Total |
| Chairman Hankin | 1988 | 31,250 | 15,000 | 46,250 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Vice Chairman Burra | 1991 | 35,000 | 15,000 | 50,000 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Director Antle | 2002 | 35,000 | 15,000 | 50,000 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Director Baker | 2006 | 49,000 | – | 49,000 | 27,648 | – | 27,648 | – | – | – |
| Director Edwards | 2006 | 35,000 | 15,000 | 50,000 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Director Lindstrom | 2002 | 35,000 | 15,000 | 50,000 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Director Piotrowski | 2002 | 35,000 | 15,000 | 50,000 | 27,648 | 3,553 | 31,201 | – | 3,045 | 3,045 |
| Director Santoro | 2013 | 17,500 | 22,500 | 40,000 | 4,622 | 3,553 | 8,175 | – | 3,045 | 3,045 |
| Director Summers | 2013 | 17,500 | 22,500 | 40,000 | 4,622 | 3,553 | 8,175 | – | 3,045 | 3,045 |

(1) Ms. Li is not listed in the above table since she was appointed to the Board after the end of our fiscal year 2016.

BENEFICIAL OWNERSHIP OF SECURITIES

The table below indicates the number of shares of the Company's common stock beneficially owned as of April 22, 2016, 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, 2015. 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 | % (7) |
| T. Rowe Price Associates, Inc. (1)<br>100 E. Pratt Street, Baltimore, MD 21202 | 9,742,930 | 14.9 |
| FMR LLC (2)<br>245 Summer Street, Boston, MA 02210 | 8,261,813 | 12.7 |
| BlackRock Inc. (3)<br>55 East 52nd Street, New York, NY 10055 | 6,940,570 | 10.6 |
| Waddell & Reed Financial, Inc. (4)<br>6300 Lamar Ave., Overland Park, KS 66202 | 6,655,200 | 10.2 |
| The Vanguard Group, Inc. (5)<br>100 Vanguard Blvd., Malvern, PA 19355 | 4,903,486 | 7.5 |
| Rockell N. Hankin, Chairman of the Board | 194,235 | * |
| James P. Burra, Vice Chairman of the Board (6) | 81,045 | * |
| Glen M. Antle, Director | 38,045 | * |
| Bruce C. Edwards, Director (6) | 45,045 | * |
| Ye Jane Li | 1,116 | * |
| James T. Lindstrom, Director | 58,045 | * |
| John L. Piotrowski, Director | 38,045 | * |
| Dr. Carmelo J. Santoro, Director | 25,545 | * |
| Sylvia Summers, Director | 25,545 | * |
| Mohan R. Maheswaran, Director, President and Chief Executive Officer | 375,220 | * |
| Emeka N. Chukwu, Executive Vice President and Chief Financial Officer | 117,772 | * |
| Gary M. Beauchamp, Executive Vice President and General Manager, Signal Integrity Product Group | 28,395 | * |
| James Kim, Senior Vice President, Worldwide Sales | 72,228 | * |
| Asaf Silberstein, Senior Vice President, Operations | 55,178 | * |
| All Current Directors and Executive Officers as a group (21 persons including those named above) | 1,349,675 | 2.1 |

*Less than 1%

(1) As reported in Amendment No. 4 to Schedule 13G filed February 16, 2016 by T. Rowe Price Associates, Inc. ("Price Associates"). Price Associates reported sole voting power with respect to 1,647,630 shares and sole dispositive power with

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respect to 9,742,930 shares. Price Associates is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. Price Associates does not serve as custodian of the assets of any of its clients; accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, such securities, is vested in the individual and institutional clients which Price Associates serves as investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time. T. Rowe Price New Horizons Fund, Inc. is an Investment Company registered under Section 8 of the Investment Company Act of 1940. With respect to securities owned by any one of the registered investment companies sponsored by Price Associates which it also serves as investment adviser (the "T. Rowe Price Funds"), only the custodian for each of such Funds, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. No other person is known to have such right, except that the shareholders of each such Fund participate proportionately in any dividends and distributions so paid.

(2) As reported in Amendment No. 2 to Schedule 13G filed on February 11, 2016 by FMR LLC. FMR LLC reported sole voting power over 24,849 shares and no shared voting power and sole dispositive power of 8,261,813 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: Fidelity Management & Research (Hong Kong) Limited, and FMR Co., Inc. Abigail P. Johnson is Director, Vice Chairman, the CEO and President of FMR LLC. Members of the family of Edward C. Johnson, 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. 7 to Schedule 13G/A filed on January 8, 2016 by BlackRock Inc. BlackRock Inc. reported sole voting power with respect to 6,792,081 shares and sole dispositive power with respect to 6,940,570 shares, as the parent company of the following subsidiaries which hold the shares: BlackRock (Luxembourg) S.A., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Capital Management, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Ltd, and BlackRock Investment Management, LLC.

(4) As reported in Amendment No. 2 to Schedule 13G filed February 12, 2016 by IICO, WDR, WRIMCO, WRI and WRFSI, all as defined below. Waddell & Reed Financial, Inc. ("WDR") reported indirect sole voting and dispositive power over 6,655,200 shares. WRFSI and WRI reported indirect sole voting and dispositive power over 2,682,300 shares and WRIMCO reported direct sole voting and dispositive power over 2,682,300 shares. IICO reported direct sole voting and dispositive power over 3,972,900 shares. The securities reported are beneficially owned by one or more open end investment companies or other managed accounts which are advised or sub advised by Ivy Investment Management Company ("IICO"), an investment advisory subsidiary of WDR or Waddell & Reed Investment Management Company ("WRIMCO"), an investment advisory subsidiary of Waddell & Reed, Inc. ("WRI"). WRI is a broker dealer and underwriting subsidiary of Waddell & Reed Financial Services, Inc., a parent

holding company ("WRFSI"). In turn, WRFSI is a subsidiary of WDR, a publicly traded company. The investment advisory contracts grant IICO and WRIMCO all investment and/or voting power over securities owned by such advisory clients. The investment sub advisory contracts grant IICO and WRIMCO investment power over securities owned by such sub advisory clients and, in most cases, voting power. Any investment restriction of a sub advisory contract does not restrict investment discretion or power in a material manner. Therefore, IICO and/or WRIMCO may be deemed the beneficial owner of the securities covered by this statement under Rule 13d 3 of the Exchange Act. IICO, WRIMCO, WRI, WRFSI and WDR are of the view that they are not acting as a "group" for purposes of Section 13(d) under the Exchange Act. Indirect "beneficial ownership" is attributed to the respective parent companies solely because of the parent companies' control relationship to WRIMCO and IICO.

(5) As reported in Amendment No. 3 to Schedule 13G filed February 10, 2016 by The Vanguard Group. The Vanguard Group reported sole voting power over 104,673 shares, shared voting power over 5,000 shares, sole dispositive power over 4,798,213 shares and shared dispositive power over 105,273 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 100,273 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 9,400 shares as a result of its serving as investment manager of Australian investment offerings.

(6) The reported shares include shares held in family trusts under which voting and/or dispositive power is shared: Mr. Burra (43,000 shares) and Mr. Edwards (7,000 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.

(7) The ownership percentage is based on 65,236,682 shares outstanding as of April 22, 2016 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 22, 2016 through the exercise of stock options.

(8) 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.

EXECUTIVE OFFICERS

| Name | Age as of April 22, 2016 | Position |
|---|---|---|
| Mohan R. Maheswaran | 52 | President and Chief Executive Officer |
| Emeka N. Chukwu | 53 | Executive Vice President and Chief Financial Officer |
| Charles B. Ammann | 61 | Executive Vice President, General Counsel and Secretary |
| Gary M. Beauchamp | 56 | Executive Vice President and General Manager, Signal Integrity Product Group |
| Mark Costello | 47 | Vice President and General Manager, Protection Product Group |
| Sharon Faltemier | 60 | Senior Vice President, Human Resources |
| Alberto Guerra | 54 | Senior Vice President, Chief Marketing Officer and General Manager, Systems Innovation Group |
| James J. Kim | 59 | Senior Vice President, Worldwide Sales |
| Marc Pegulu | 42 | Vice President and General Manager, Wireless and Sensing Product Group |
| Asaf Silberstein | 46 | Senior Vice President, Worldwide Operations |
| Ross Teggatz | 52 | Senior Vice President and General Manager, Power and High Reliability Product Group |
| J. Michael Wilson | 60 | 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 was promoted to Executive Vice President and Chief Financial Officer on February 26, 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 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 was promoted to Executive Vice President and General Manager, Signal Integrity Product Group on February 26, 2014. Prior to his promotion, he was Senior Vice President and General Manager, Signal Integrity Product Group. Mr. Beauchamp was appointed Senior Vice President and General Manager of the Gennum Product 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 video broadcast, video surveillance, and data communications 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. Costello became Vice President and General Manager of the Protection Product Group in 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, Mark developed advanced materials for optical and electronic applications at GEC-Marconi's research laboratories in Caswell, England.

Ms. Faltemier was promoted to Senior Vice President, Human Resources on February 26, 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. Guerra is currently Senior Vice President, Chief Marketing Officer and General Manager of our Systems Innovation Group. He joined the Company on June 29, 2015 as Senior Vice President and Chief Marketing Officer. Prior to joining the Company, Alberto served as Vice President of Strategic Market Development and Product Marketing for International Rectifier ("IR"), a position he was appointed to in 2009. Between 2007 and 2009, he also served as Vice President GM, IC & Integrated Product Division at Vishay Siliconix. He moved to Vishay after more than two decades of serving IR in Europe, Asia and North America in various capacities, including Vice President of Tech Marketing and System Applications, Vice President of Sales, Marketing & Applications, and Vice President of

IRSA Joint Venture (IR Sanyo Joint Venture). During this period at IR, he was responsible for strategy development and execution on a broad range of market and product initiatives, including mergers and acquisitions, new technology development and commercialization.

Mr. Kim was promoted to 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.

Mr. Pegulu became Vice President and General Manager of the Wireless and Sensing Products Group in 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. Marc 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, Marc held positions in chips and systems development at Thomson CSF, Thales, ATMEL, and DibCom in France and China.

Mr. Silberstein was promoted to Senior Vice President, Worldwide Operations in February 2013. Mr. Silberstein 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. Teggatz joined the Company as a result of Semtech's acquisition of Triune Systems, L.L.C. in March 2015. He is Senior Vice President and General Manager, Power and High Reliability Product Group. He was Founder, President and Chief Executive Officer of Triune, a company that designed and manufactured mixed signal semiconductors, from November 2007 until February 2015, and was responsible for managing and overseeing the design, development, applications and marketing functions for all of Triune's business which included wireless power, ultra low power, isolated and non isolated power and data products. Prior to November 2007, he worked at Texas Instruments for 23 years in a variety of senior management and technical roles.

Mr. Wilson was promoted to Executive Vice President, Quality and Reliability in 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.

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 31, 2016, 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, with the exception of a late Form 4 that was filed August 17, 2015 for Mr. Pegulu relating to two transactions that took place on August 12, 2015 and a late Form 4 that was filed August 18, 2015 for Mr. Silberstein relating to one transaction that took place on August 12, 2015.

## 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 2016. 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 Product Group |
| James J. Kim | Senior Vice President, Worldwide Sales |
| Asaf Silberstein | Senior Vice President, Worldwide Operations |

## FISCAL 2016 PERFORMANCE

After disappointing fiscal year 2015 financial results and total shareholder returns (“TSR”) for the Company, the Board and management anticipated a much more successful fiscal year 2016. At the start of fiscal year 2016, the Company had a number of developing business opportunities and one of its major customers was projecting significant growth. Accordingly, the Company’s annual operating plan for fiscal year 2016, which formed the basis for the Company’s fiscal year 2016 annual incentive plan as described below, reflected a significant increase in both net revenues and non-GAAP operating income (as defined below) over fiscal year 2015 levels. In fiscal year 2016, the Company was also in its final year of implementing a new worldwide enterprise resource planning (“ERP”) platform which the Board believed was critical to the Company’s long-term success. The Board felt strongly that the Company would not be able to scale and compete effectively without a major upgrade to the Company’s infrastructure. The Company’s management brought the new worldwide ERP system online in early fiscal year 2016 with no significant issues. The Board viewed management’s execution of this highly-strategic implementation in a cost-effective manner, with minimum operational disruptions, as outstanding.

Shortly after implementation of the new ERP system, the Board’s approval of the 2016 annual operating plan, and the adoption of the Company’s fiscal year 2016 annual incentive plan, the Company’s major customer dramatically reduced its forecast. This reduction ultimately had a significant impact on the Company’s fiscal year 2016 revenues. In response, the Company’s management, in consultation with the Board implemented a number of actions. The Company reduced its operating expenses to significantly lessen the impact of the reduction in revenue on the Company’s operating income and divested non-core assets, while still investing in new, growth opportunities and platforms. The reduction in operating expenses included an 8% reduction in the Company’s total global workforce and the Company’s closure of two Company locations. As a result of these activities, despite the revenue decline, the Company improved its gross margin from 58.9% in fiscal year 2015 to 59.8% in fiscal year 2016, and the actions taken by the Company to reduce operating expenses helped it generate $102 million in cash. In addition, the Company continued to invest in disruptive analog platforms and acquire new innovative solutions in fiscal year 2016. Specifically, the Company’s LoRa™ technology was seen to have significant growth opportunities with new applications appearing at an accelerated pace. Additionally, the Company increased its investment in signal integrity products that support up to 100 Gbps applications targeted at datacenter and passive optical network ("PON") applications, as well as in wireless charging product lines for Internet of Things (IoT) and smart applications.

As a result of the Company's investments in fiscal year 2016, including the implementation of the new worldwide ERP platform, the Board believes that the Company is well positioned for a successful fiscal year 2017 and increased shareholder value.

SUMMARY OF FISCAL YEAR 2016 NAMED EXECUTIVE OFFICER COMPENSATION

Our fiscal year 2016 compensation policies and payouts reflect (1) our overarching philosophy of pay-for-performance, (2) the fact that we set aggressive goals that must be achieved to produce targeted payouts, and (3) the negative impact of our recent financial and TSR performance. Among the more significant aspects and results of our executive programs for our NEOs in fiscal year 2016 are the following, each of which is discussed in more detail below in this Compensation Discussion and Analysis ("CD&A"):

· As we utilize both time and performance based vesting requirements in our equity awards for our NEOs, their total compensation for fiscal year 2016 reported in the Summary Compensation Table is much higher than the actual compensation that they realized during fiscal year 2016. Please see the discussion under "Realized Compensation" below. The 2016 compensation actually "realized" by our NEOs (calculated as discussed under "Realized Compensation" below) was approximately 61% of the 2016 total compensation reported in the Summary Compensation Table.
· The Company's fiscal year 2016 performance was below the targeted levels under our 2016 annual cash incentive (bonus) programs for our NEOs. Accordingly, and consistent with our pay for performance philosophy, fiscal year 2016 annual cash incentives for our NEOs were paid at less than their targeted levels. On a percentage basis, two of our NEOs (Messrs. Kim and Silberstein) received 50% of their target bonus for fiscal year 2016, one NEO (Mr. Chukwu) received 53%, and one (Mr. Beauchamp) received 79% for the superior performance of the Company's product group for which he is responsible. As described in further detail below, the Company's CEO, Mr. Maheswaran, received only 32% of his targeted bonus for fiscal year 2016.
· The Company's performance for the three year performance period (fiscal years 2014 2016) covered by our performance based vesting equity awards granted in fiscal year 2014 was below the targeted levels established with respect to the awards and less than the minimum levels required for any portion of the awards to vest. Accordingly, and consistent with our pay for performance philosophy, all of these equity awards were forfeited with no payout.
· The fiscal year 2016 total compensation for Mr. Maheswaran, our CEO, was approximately half of his fiscal year 2015 total compensation, as reported in the Summary Compensation Table. In addition, his fiscal year 2016 compensation actually "realized" (calculated as discussed under "Realized Compensation" below) was below both (1) his fiscal year 2016 total compensation reported in the Summary Compensation Table, and (2) his fiscal year 2015 compensation actually "realized."
· As reflected under "Realized Compensation" below, the fiscal year 2016 compensation actually "realized" by each of our other NEOs was significantly less than the NEO's fiscal year 2016 total compensation reported in the Summary Compensation Table.

REALIZED COMPENSATION

In evaluating our NEOs' compensation, we believe it is important to understand not only the potential value of incentive awards at the time they are granted, but also the value actually realized by the executives from their awards. The Realized Compensation Table below supplements the Summary Compensation Table that appears on page 30 and shows the compensation actually realized in fiscal year 2016 by each NEO. The primary difference between the Realized Compensation Table and the Summary Compensation Table is the method used to value stock options and stock awards. Securities and Exchange Commission rules require that the grant date fair value of all stock options and stock awards be reported in the Summary Compensation Table for the year in which they were granted. As a result, a significant portion of the total compensation amounts reported in the Summary Compensation Table relates to stock options and stock awards that have not vested, a substantial portion of which are subject to performance based vesting requirements in addition to time based vesting requirements, and for which the value is therefore uncertain (and which may end up, in some cases, as having no value at all). In contrast, the Realized Compensation Table below includes only those stock options and stock awards held by the NEOs that vested during fiscal year 2016 (including those granted in prior years) and shows the value of those awards as of the applicable vesting date. As shown in the Realized Compensation Table below, our CEO's total realized compensation calculated in this manner was $2,800,498 for fiscal year 2016, which is

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$1,176,833 less than his fiscal year 2015 total compensation as calculated for purposes of the Summary Compensation Table.

Realized Compensation Table – Fiscal Year 2016

| Name | Fiscal Year | Salary ($) | Option Awards ($) (1) | Stock Awards ($) (2) | Bonus ($) (3) | All Other Compensation ($) | Total Realized Compensation ($) | Difference Between Total Realized Compensation and Total Compensation as Reported in Summary Compensation Table ($) |
|---|---|---|---|---|---|---|---|---|
| Mohan R. Maheswaran President and Chief Executive Officer | 2016 | $599,308 | $67,762 | $1,785,055 | $225,000 | $123,374 | $2,800,498 | $(1,176,833) |
| Emeka N. Chukwu Executive Vice President and Chief Financial Officer | 2016 | $386,923 | $25,491 | $332,547 | $160,000 | $77,385 | $982,346 | $(897,350) |
| Gary M. Beauchamp Executive Vice President and General Manager, Signal Integrity Product Group | 2016 | $279,397 | $11,765 | $520,074 | $165,000 | $21,354 | $997,590 | $(752,200) |
| James J. Kim Senior Vice President, Worldwide Sales | 2016 | $336,000 | $19,774 | $314,050 | $121,875 | $59,050 | $850,749 | $(778,565) |
| Asaf Silberstein Senior Vice President, Worldwide Operations | 2016 | $319,423 | $13,399 | $430,621 | $108,500 | $56,588 | $928,532 | $(668,019) |

(1) The dollar amounts shown in this column above for stock options are determined by multiplying (1) the number of shares of the Company's common stock subject to the Company's stock options granted to the Named Executive Officers (including grants from prior years) that vested during fiscal year 2016 by (2) the difference between the per share closing price of the Company's common stock on the vesting date and the exercise price of the option.

(2) The dollar amounts shown in this column above for stock awards are determined by multiplying the number of shares of the Company's common stock subject to the awards that were granted by the Company to the Named Executive Officer (including grants from prior years) that vested during fiscal year 2016 by the per share closing price of the Company's common stock on the vesting date.

(3)

For purposes of this table, the dollar amounts shown in the "Bonus" column above include the sum of the amounts reported in the "Bonus" and the "Non Equity Incentive Plan Compensation" columns of the Summary Compensation Table that appears on page 54.

This information is supplemental to, and should be read in connection with, the Summary Compensation Table that appears on page 54.

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, the potential dilutive effect such grants may have on existing stockholders, and third party equity award run rate evaluation factors.

The Compensation Committee gives no single factor any specific weight. 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.

The base salary for executive officers, which establishes a fixed amount of annual compensation that provides a level of economic security and stability from year to year, is set on an individual basis by the Compensation Committee. The Compensation Committee's general policy is to provide our executives a base pay that is near the median for comparable positions in our Peer Group (as defined below) while also taking the factors noted above into account.

For the annual cash incentive plan, the Compensation Committee sets a target annual cash incentive potential for each executive expressed as a percentage of base salary. The Committee also sets what it believes to be aggressive annual business plan goals for the cash incentive plan. Those processes are described later in this CD&A. The approach of the 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, generally between the median and 75th percentile, to provide appropriate incentives for strong performance. Illustrating the rigor of our performance goals, no portion of the NEOs' annual cash incentive opportunity that is based on corporate performance was paid out for fiscal year 2015 or fiscal year 2016. As noted in the "Summary of Fiscal Year 2016 Named Executive Officer Compensation" above and described in more detail below, our NEOs' annual incentive payouts for fiscal year 2016 were significantly below their fiscal year 2016 target levels. Under the annual cash incentive program for our NEOs (other than the CEO), each NEO's target annual cash incentive for fiscal year 2016 was based on two components: fifty percent (50%) of the target was based on the Company's attainment of a key financial goal for the fiscal year, and the remaining fifty percent (50%) of the NEO's target annual cash incentive potential was based on the executive’s individual performance for the fiscal year. 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

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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.

It is our policy that more than half of the total direct compensation for our executives should come from future compensation opportunities delivered through our long term equity incentive plan. As used in this CD&A, "total direct compensation" refers to the combination of the base salary, annual cash incentive, and the grant date fair value of equity awards granted to an executive as determined for purposes of the Company's financial reporting. We use a combination of stock options, time based restricted stock units, and performance based restricted stock units (subject to both time and performance based vesting requirements) under our long term incentive plan. Through the combination of (1) the inherently performance based nature of stock options (the value of which depends on future appreciation in our stock price), (2) the multi year vesting of time based restricted stock units (the ultimate value of which depends on our stock price), and (3) the multi year performance requirements for the performance based restricted stock units (the ultimate value of which also depends on our stock price in addition to the time and performance based vesting conditions), the compensation actually delivered to our executives from the long term incentive plan depends directly on our stock price. We believe these factors align the interests of our executives with those of our stockholders. The combination of the awards under our long term equity incentive plan with each executive's annual cash incentive opportunity results in significantly more than half of each of our NEO's target total direct compensation being performance based and/or dependent on our stock price.

Our philosophy in establishing our executive compensation program is to balance short-term performance incentives (provided by the annual cash incentive plan) with long-term performance incentives (provided by the equity awards). We also look to balance the use of (1) absolute performance metrics versus relative performance metrics evaluated against selected peers, and (2) formula based performance criteria versus criteria involving the exercise of judgment by the Compensation Committee. The Compensation Committee assesses the cost of executive compensation relative to Company net revenue and non GAAP operating income (non GAAP operating income, as considered by the Compensation Committee in this context, is defined below).

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.

Best Practices

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

ü 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.
ü Long-Term Equity Incentives. All of our equity incentive awards have multi year vesting and/or performance requirements.
ü No Material Perks. We do not provide significant perquisites.
ü 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).
ü 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).
ü No Re-Pricing of Stock Options. We do not re-price "underwater" stock options (stock options where the exercise price is below the then current market price of our stock) without stockholder approval.
ü Executives Subject to Stock Ownership Guidelines. Our executive officers are subject to stock ownership guidelines, under which the executives are targeted 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. Certain restricted stock units granted by us will not be paid, even though vested, until six months after the executive has ceased to be employed by the Company to help ensure compliance with these guidelines.

ü 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.

ü 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.

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

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

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

2015 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 2015, approximately 84% 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 2015 to seek feedback on the Company's executive compensation program. The Compensation Committee took this feedback into account, and 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. After consideration of the feedback received in fiscal year 2015 along with the positive results from the non-binding advisory vote on the Company's executive compensation program at the June 2015 Annual Meeting of Stockholders, the Compensation Committee determined that the Company's executive compensation policies for fiscal year 2016 would be similar to those in effect for fiscal year 2015, with a significant emphasis on performance and alignment with stockholder interests.

SUMMARY OF OUR CURRENT EXECUTIVE COMPENSATION PROGRAMS

Named Executive Officer Compensation

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

Key Elements of Compensation

| Element | Purpose | Characteristics |
|---|---|---|
| Annual salary | To attract and retain qualified executives; set at a fixed rate of pay based on an individual's skills, experience and performance. | 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. | The majority of annual awards are generally performance based; 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 | 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. |

Use of Quantitative and Qualitative Measurements

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, 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.

Peer Group

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 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 2016 peer group companies, the Compensation Committee focused on companies 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. The Compensation Committee selected the following companies as the peer group of companies for purposes of its fiscal year 2016 executive compensation determinations (collectively, the "Peer Group"): Alpha and Omega Semiconductor Limited; Atmel Corporation; Cirrus Logic, Inc.; Diodes Incorporated; Integrated Device Technology, Inc.; Fairchild Semiconductor International, Inc.; Integrated Silicon Solution, Inc.; Intersil Corporation; IXYS Corporation; Linear Technology Corporation; Micrel, Incorporated; Microsemi Corporation; Monolithic Power Systems, Inc.; PMC Sierra, Inc.; Power Integrations, Inc.; and Silicon Laboratories Inc. This was the same peer group of companies as used by the Compensation Committee in fiscal year 2015.

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 greater 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.

For fiscal year 2016, total compensation (based on the compensation amounts reported in the Summary Compensation Table) for the Company's NEOs was distributed as follows:

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. It is the goal of the Compensation Committee to establish executive officers' annual base salaries at approximately the median for comparable positions within our Peer Group while considering the other 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. For fiscal year 2016, the actual base salaries approximated or were below the medians for comparable positions within our Peer Group. All of the NEOs received annual salary increases in fiscal year 2016 to maintain the positioning of their salary levels at approximately the median for comparable positions within our Peer Group or to bring their salary levels closer to the median for comparable positions within our Peer Group:

| Named Executive Officer | FY15 Annual Salary | FY16 Annual Salary | Percent Increase (FY16 vs. FY15) |
|---|---|---|---|
| Mr. Maheswaran | $550,000 | $580,000 | 5.5% |
| Mr. Chukwu | $350,000 | $375,000 | 7.1% |
| Mr. Beauchamp (1) | $243,000 | $263,000 | 8.2 % |
| Mr. Kim | $310,000 | $325,000 | 4.8% |
| Mr. Silberstein | $285,000 | $310,000 | 8.1% |

(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 0.7153 which was the CAD to USD conversion rate as of January 31, 2016.

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.

Following adoption of the fiscal year ABP, the Compensation Committee, in consultation with the Board, selects one or more specific goals from the ABP that are determined by the Compensation Committee to be key for the growth and success of the Company in the applicable fiscal year and beyond. The goals are selected so that, in the judgment of the Compensation Committee in light of available business intelligence, forecasts and projections, superior performance will be required to achieve the goals. The selected goals are then incorporated into the annual cash incentive plan for the CEO, and a subset of those goals is selected as the basis for the annual cash incentive plan for the other executive officers. This approach results in having a consistent financial performance target apply broadly for annual cash incentive purposes from the senior executive level to the middle management and functional professional employees serving the Company. The annual cash incentive plans are adopted and approved by the Compensation Committee at its first regular meeting in the applicable fiscal year in concert with adoption of the ABP.

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 stock based compensation expense, 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.

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. For fiscal year 2016, the target annual cash incentive opportunities were generally above the median for comparable positions within our Peer Group but were balanced by targeted financial goals that the Compensation Committee believed would be difficult to obtain, such that the annual cash incentive opportunity would motivate and pay for superior performance. As evidence of the Compensation Committee's goal setting process, the financial goals established by the Compensation Committee for these purposes for fiscal year 2016 were not, in fact, obtained at the targeted levels, and the actual cash incentive amounts paid under the Executive Bonus Plan for fiscal year 2016 were below their targeted levels.

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 2016, 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<br>Executive Vice President and Chief Financial Officer | 80% |
| Mr. Kim<br>Senior Vice President, Worldwide Sales | 75% |
| Mr. Beauchamp<br>Executive Vice President and General Manager, Signal Integrity Product Group | 80% |
| Mr. Silberstein<br>Senior Vice President, Worldwide Operations | 70% |

Target annual cash incentive amounts were the same as in fiscal year 2015 for Messrs. Chukwu and Kim. The target annual cash incentive amounts for Messrs. Beauchamp and Silberstein were increased from 75% and 60%, respectively, of base salary in fiscal year 2015 to 80% and 70%, respectively, of base salary in fiscal year 2016. The Compensation Committee made these changes to bring their respective target annual cash incentive amounts more in line with target annual cash incentive amounts for executive and senior vice president positions, respectively, at the Company.

Under the Executive Bonus Plan, each executive's target annual cash incentive for fiscal year 2016 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 2016 considerable time was devoted by the NEOs towards development of the Company's LoRa technologies, including the formation of the LoRa™ Alliance, the signal integrity products that support up to 100 Gbps applications targeted at datacenter and PON applications, and the wireless charging product lines for Internet of Things (IoT) and smart applications, and the successful implementation of the Company's world-wide ERP system. 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 2016 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 our fiscal year 2016, the key financial performance goal established by the Compensation Committee was non GAAP operating income. We believe 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 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 2016 non GAAP operating income was $162,000,000. 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 2016 non GAAP operating income performance against the fiscal year 2016 goal of $162,000,000 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