

ANALOG DEVICES INC
Form DEF 14A
February 06, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

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 Pursuant to § 240.14a-12

Analog Devices, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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Fee paid previously with preliminary materials.

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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February 6, 2008

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders to be held at 10:00 a.m. local time on Tuesday, March 11, 2008, **in the Sorenson Center for the Arts at Babson College, Babson Park, Wellesley, Massachusetts.**

At the Annual Meeting you are being asked to elect three Class III members to our Board of Directors, each for a term of three years, ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending November 1, 2008, and approve amendments to our articles of organization and bylaws to require a majority vote for uncontested elections of directors. Your Board of Directors recommends that you vote FOR the election of each of the Class III directors, FOR the ratification of Ernst & Young LLP and FOR the approval of the amendments to our articles of organization and bylaws.

Please carefully review the attached proxy materials and take the time to cast your vote.

Yours sincerely,

Ray Stata
Chairman of the Board

Jerald G. Fishman
President and Chief Executive Officer

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**ANALOG DEVICES, INC.
ONE TECHNOLOGY WAY
NORWOOD, MASSACHUSETTS 02062-9106**

NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS

To Be Held On March 11, 2008

To our Shareholders:

The 2008 Annual Meeting of Shareholders of Analog Devices, Inc. will be held at Babson College, Sorenson Center for the Arts, 231 Forest Street, Babson Park, Wellesley, Massachusetts 02457, on Tuesday, March 11, 2008 at 10:00 a.m. local time. At the meeting, shareholders will consider and vote on the following matters:

1. To elect three members to our Board of Directors to serve as Class III directors, each for a term of three years.
2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending November 1, 2008.
3. To approve amendments to our articles of organization and bylaws to require a majority vote for uncontested elections of directors.

The shareholders will also act on any other business that may properly come before the meeting.

Shareholders of record at the close of business on January 18, 2008 are entitled to vote at the meeting. Your vote is important regardless of the number of shares you own. Whether you expect to attend the meeting or not, please vote your shares over the Internet or by telephone as provided in the instructions set forth on the proxy card, or complete, sign, date and promptly return the enclosed proxy card in the postage-prepaid envelope we have provided. Your prompt response is necessary to assure that your shares are represented at the meeting. You can change your vote and revoke your proxy at any time before the polls close at the meeting by following the procedures described in the accompanying proxy statement.

All shareholders are cordially invited to attend the meeting.

By order of the Board of Directors,

Margaret K. Seif
Secretary

Norwood, Massachusetts
February 6, 2008

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**ANALOG DEVICES, INC.
ONE TECHNOLOGY WAY
NORWOOD, MASSACHUSETTS 02062-9106**

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

March 11, 2008

This proxy statement contains information about the 2008 Annual Meeting of Shareholders of Analog Devices, Inc. The meeting will be held on Tuesday, March 11, 2008, beginning at 10:00 a.m. local time, at Babson College, Sorenson Center for the Arts, 231 Forest Street, Babson Park, Wellesley, Massachusetts 02457. You may obtain directions to the location of the annual meeting by contacting Maria Tagliaferro, Director, Corporate Communications, Analog Devices, Inc., One Technology Way, Norwood, MA 02062; telephone: 781-461-3282.

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Analog Devices, Inc., which is also referred to as Analog Devices, ADI or the Company in this proxy statement, for use at the annual meeting and at any adjournment of that meeting. All proxies will be voted in accordance with the instructions they contain. If no instruction is specified on a proxy, it will be voted in favor of the matters set forth in the notice of the meeting. A shareholder may revoke his, her or its proxy at any time before it is exercised by giving our secretary written notice to that effect.

Our Annual Report to Shareholders for the fiscal year ended November 3, 2007 is being mailed to shareholders with the mailing of these proxy materials on or about February 6, 2008.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on March 11, 2008:

This proxy statement and the 2007 Annual Report to Shareholders are available for viewing, printing and downloading at www.analog.com/2008AnnualMeeting.

A copy of our Annual Report on Form 10-K for the fiscal year ended November 3, 2007 as filed with the Securities and Exchange Commission, except for exhibits, will be furnished without charge to any shareholder upon written or oral request to Analog Devices, Inc., Attention of Maria Tagliaferro, Director, Corporate Communications, Analog Devices, Inc., One Technology Way, Norwood, MA 02062; telephone: 781-461-3282.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, shareholders will consider and vote on the following matters:

1. The election of three members to our Board of Directors to serve as Class III directors, each for a term of three years.
2. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending November 1, 2008.
3. To approve amendments to our articles of organization and bylaws to require a majority vote for uncontested elections of directors.

The shareholders will also act on any other business that may properly come before the meeting.

Who can vote?

To be able to vote, you must have been a shareholder of record at the close of business on January 18, 2008. This date is the record date for the annual meeting.

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Shareholders of record at the close of business on January 18, 2008 are entitled to vote on each proposal at the annual meeting. The number of outstanding shares entitled to vote on each proposal at the meeting is 297,639,915 shares of our common stock.

How many votes do I have?

Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on.

Is my vote important?

Your vote is important regardless of how many shares you own. Please take the time to vote. Take a moment to read the instructions below. Choose the way to vote that is easiest and most convenient for you and cast your vote as soon as possible.

How do I vote?

If you are the record holder of your shares, you may vote in one of four ways. You may vote by submitting your proxy over the Internet, by telephone, or by mail or you may vote in person at the meeting.

You may vote over the Internet. If you have Internet access, you may vote your shares from any location in the world by following the *Vote-by-Internet* instructions set forth on the enclosed proxy card.

You may vote by telephone. You may vote your shares by following the *Vote-by-Telephone* instructions set forth on the enclosed proxy card.

You may vote by mail. You may vote by completing and signing the proxy card that accompanies this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States. The shares you own will be voted according to the instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this proxy statement, the shares you own will be voted in accordance with the recommendations of our Board of Directors. The Board of Directors recommends that you vote FOR Proposals 1, 2 and 3.

You may vote in person. If you attend the meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot. Ballots will be available at the meeting.

Can I change my vote after I have mailed my proxy card or after I have voted my shares over the Internet or by telephone?

Yes. You can change your vote and revoke your proxy at any time before the polls close at the meeting by doing any one of the following things:

signing another proxy with a later date;

giving our secretary a written notice before or at the meeting that you want to revoke your proxy; or

voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

Can I vote if my shares are held in street name ?

If the shares you own are held in street name by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your bank or brokerage firm on your vote instruction form. Under the rules of the New York Stock Exchange, if you do not give instructions to your bank or brokerage firm, it will still be able to vote your shares with respect to certain discretionary items, but will not be allowed to vote your shares with respect to certain non-discretionary items.

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In the case of non-discretionary items, the shares will be treated as broker non-votes. The election of directors (proposal one) and the ratification of Ernst & Young LLP as our independent registered public accounting firm (proposal two) are each considered to be a discretionary item under the New York Stock Exchange rules. If the record holder does not exercise its discretionary authority with respect to proposals one or two, your shares will be treated as broker non-votes on the particular matter.

If your shares are held in street name, you must bring an account statement or letter from your bank or brokerage firm showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the meeting on March 11, 2008. To be able to vote your shares held in street name at the meeting, you will need to obtain a proxy card from the holder of record.

How do I vote my 401(k) shares?

If you participate in the Analog Devices Stock Fund through The Investment Partnership Plan of Analog Devices, or TIP, your proxy will also serve as a voting instruction for Fidelity Management Trust Company, or Fidelity, which serves as the administrator of TIP, with respect to shares of ADI common stock attributable to your TIP account, or TIP shares, as of the record date. The combined proxy/instruction card should be signed and returned in the enclosed envelope to Computershare Trust Company, N.A., or Computershare, which serves as our transfer agent and registrar, or you may submit your proxy/instruction over the Internet or by telephone by following the instructions on the enclosed card. Computershare will notify Fidelity of the manner in which you have directed your TIP shares to be voted. Fidelity will vote your TIP shares as of the record date in the manner directed by you. If Computershare does not receive voting instructions from you by 11:59 p.m. eastern time on March 6, 2008, Fidelity will vote your TIP shares as of the record date in the same manner, proportionally, as it votes the other shares of common stock for which proper and timely voting instructions of other TIP participants have been received by Fidelity.

How do I vote my shares held in trust in the Analog Ireland Success Sharing Share Plan?

If you participate in the Analog Ireland Success Sharing Share Plan, or the Ireland share plan, you may vote an amount of shares of common stock equivalent to the interest in our common stock which Mercer Trustees Limited, or Mercer, which serves as the trustee of the Ireland share plan, holds on your behalf as of the record date. Mercer will send a voting card to you that you may use to direct Mercer how to vote your shares. The voting card should be signed and returned in the enclosed envelope to Mercer. Mercer will vote the shares in the manner directed on the voting card. If Mercer does not receive your voting card by 5:00 p.m. Greenwich Mean Time (GMT) on Friday, February 29, 2008, Mercer will not vote your shares.

What constitutes a quorum?

In order for business to be conducted at the meeting with respect to a particular matter, a quorum must be present in person or represented by valid proxies for that particular matter. For each of the proposals to be presented at the meeting, a quorum consists of the holders of a majority of the shares of common stock issued, outstanding and entitled to vote at the meeting, or at least 148,819,958 shares.

Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to a particular proposal to be voted upon) will be counted for the purpose of determining whether a quorum exists at the meeting for that proposal. Broker non-votes are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have or did not exercise discretionary authority to vote on a particular matter.

If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What vote is required for each item?

Election of directors. As provided in our bylaws, the three nominees receiving the highest number of votes cast at the meeting will be elected, regardless of whether that number represents a majority of the votes cast.

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Ratification of independent registered public accounting firm. Under our bylaws, the affirmative vote of a majority of the total number of votes cast at the meeting is needed to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm.

Approval of amendments to our articles of organization and bylaws. Approval of Amendments to our articles of organization and bylaws to require majority voting in uncontested elections of directors must be approved by the holders of two-thirds of all the shares entitled generally to vote on the proposal.

How will votes be counted?

Each share of common stock will be counted as one vote according to the instructions contained on a proper proxy card, whether submitted in person, by mail, over the Internet or by telephone, or on a ballot voted in person at the meeting. With respect to proposals one and two, shares will not be voted in favor of the matter, and will not be counted as voting on the matter, if they either (1) abstain from voting on a particular matter, or (2) are broker non-votes. Accordingly, assuming the presence of a quorum, votes withheld for a particular director nominee and broker non-votes will have no effect on the outcome of the election of directors. Assuming the presence of a quorum, abstentions and broker non-votes will have no effect on the voting on the ratification of our independent registered public accounting firm. Abstentions from voting and broker non-votes will have the effect of a vote against proposal three.

Who will count the votes?

The votes will be counted, tabulated and certified by our transfer agent and registrar, Computershare. A representative of Computershare will serve as the inspector of elections at the meeting.

Will my vote be kept confidential?

Yes, your vote will be kept confidential and we will not disclose your vote, unless (1) we are required to do so by law (including in connection with the pursuit or defense of a legal or administrative action or proceeding), or (2) there is a contested election for the Board of Directors. The inspector of elections will forward any written comments that you make on the proxy card to management without providing your name, unless you expressly request disclosure on your proxy card.

How does the Board of Directors recommend that I vote on the proposals?

The Board of Directors recommends that you vote:

FOR the election of each of the three nominees to serve as Class III directors on the Board of Directors, each for a term of three years;

FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the 2008 fiscal year; and

FOR the approval of the amendments to our articles of organization and bylaws.

Will any other business be conducted at the meeting or will other matters be voted on?

The Board of Directors does not know of any other matters that may come before the meeting. If any other matter properly comes before the meeting, the persons named in the proxy card that accompanies this proxy statement,

whether you submit your proxy in person, by mail, over the Internet or by telephone, will exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal.

Where can I find the voting results?

We will report the voting results in our quarterly report on Form 10-Q for the second quarter of fiscal 2008, which we expect to file with the Securities and Exchange Commission in May 2008.

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How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2009 annual meeting?

If you are interested in submitting a proposal for inclusion in the proxy statement for the 2009 annual meeting, you need to follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, or the Exchange Act. To be eligible for inclusion, we must receive your shareholder proposal intended for inclusion in the proxy statement for the 2009 annual meeting of shareholders at our principal corporate offices in Norwood, Massachusetts as set forth below no later than October 9, 2008.

ADI's amended and restated bylaws require that ADI be given advance written notice of shareholder nominations for election to ADI's Board of Directors and of other matters which shareholders wish to present for action at an annual meeting of shareholders (other than matters included in ADI's proxy materials in accordance with Rule 14a-8 under the Exchange Act). The Secretary must receive such notice at the address noted below not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting, provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 60 days, from such anniversary date, ADI must receive such notice at the address noted below not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (1) the 90th day prior to such annual meeting or (2) the seventh day following the day on which notice of the meeting date was mailed or public disclosure was made, whichever occurs first. Assuming that the 2009 annual meeting is not advanced by more than 20 days nor delayed by more than 60 days from the anniversary date of the 2008 annual meeting, appropriate notice would need to be provided to ADI at the address noted below no earlier than November 11, 2008, and no later than December 11, 2008. If a shareholder fails to provide timely notice of a proposal to be presented at the 2009 annual meeting, the proxies designated by ADI's Board of Directors will have discretionary authority to vote on any such proposal which may come before the meeting.

ADI's amended and restated bylaws also specify requirements relating to the content of the notice which shareholders must provide to the Secretary of Analog Devices for any matter, including a shareholder nomination for director, to be properly presented at a shareholder meeting. A copy of the full text of our amended and restated bylaws is on file with the Securities and Exchange Commission, or SEC.

Any proposals, nominations or notices should be sent to:

Secretary, Analog Devices, Inc.
c/o: Maria Tagliaferro
Director, Corporate Communications
Analog Devices, Inc.
One Technology Way
Norwood, MA 02062
Phone: 781-461-3282
Fax: 781-461-3491
Email: investor.relations@analog.com

What are the costs of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have engaged The Altman Group, Inc. to assist us with the solicitation of proxies. We expect to pay The Altman Group less than \$15,000 for their services. In addition to solicitations by mail, The Altman Group and our directors, officers and regular employees may solicit proxies by

telephone, email and personal interviews without additional remuneration. Brokers, custodians and fiduciaries will be requested to forward proxy soliciting material to the owners of shares of our common stock that they hold in their names. We will reimburse banks and brokers for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

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How can I obtain an Annual Report on Form 10-K?

Our Annual Report on Form 10-K is available on our website at www.analog.com. If you would like a copy of our Annual Report on Form 10-K for the fiscal year ended November 3, 2007, we will send you one without charge. Please contact:

Maria Tagliaferro
Director, Corporate Communications
Analog Devices, Inc.
One Technology Way
Norwood, MA 02062
Phone: 781-461-3282
Email: investor.relations@analog.com

Whom should I contact if I have any questions?

If you have any questions about the annual meeting or your ownership of our common stock, please contact Maria Tagliaferro, our director of corporate communications, at the address, telephone number or email address listed above.

HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you contact us at the following address or telephone number: Investor Relations Department, Analog Devices, Inc., One Technology Way, Norwood, Massachusetts 02062, telephone: 781-461-3282. If you want to receive separate copies of the proxy statement or annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address, telephone number or email address.

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The following table contains information regarding the beneficial ownership of our common stock as of January 15, 2008 by:

the shareholders we know to beneficially own more than 5% of our outstanding common stock;

each director named in this proxy statement;

each executive officer named in the Summary Compensation Table included in this proxy statement; and

all of our directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of	Shares			Total Beneficial Ownership	Percent of Common Stock Beneficially Owned(4)
	Shares Beneficially Owned(2)	+	Acquirable Within 60 Days(3)	=		
<i>5% Shareholders:</i>						
T. Rowe Price Associates, Inc.(5) 100 East Pratt Street Baltimore, Maryland 21202 Capital Research and Management Company(6)	32,292,599				32,292,599	10.8%
333 South Hope Street, 55th Floor Los Angeles, California 90071 UBS Global Asset Management (Americas) Inc.(7)	32,262,732				32,262,732	10.8%
One North Wacker Chicago, Illinois 60606	29,046,230				29,046,230	9.7%
<i>Directors and Named Executive Officers:</i>						
James A. Champy	6,666		64,334		71,000	*
John L. Doyle	9,728		158,300		168,028	*
Jerald G. Fishman	506,348		2,706,463		3,212,811	1.1%
John C. Hodgson	1,000		19,500		20,500	*
Yves-Andre Istel(8)						*
Christine King(9)	1,000		70,000		71,000	*
Robert R. Marshall	159,004		382,526		541,530	*
Robert P. McAdam	141,601		528,422		670,023	*
Joseph E. McDonough	12,697		476,596		489,293	*
Vincent T. Roche	100		346,722		346,822	*
F. Grant Saviers	7,000		139,800		146,800	*
Paul J. Severino	16,200		15,000		31,200	*
Kenton J. Sicchitano	3,000		68,000		71,000	*

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Ray Stata(10)	5,109,616	602,912	5,712,528	1.9%
Lester C. Thurow(8)	3,000	137,300	140,300	*
All directors and executive officers as a group (20 persons, consisting of 11 officers and 9 non-employee directors)(11)	6,007,339	6,460,426	12,467,765	4.1%

* Less than 1% of the outstanding common stock.

- (1) Unless otherwise indicated, the address of each beneficial owner listed is c/o Analog Devices, Inc., One Technology Way, Norwood, MA 02062.
- (2) For each person, the Number of Shares Beneficially Owned column may include shares of common stock attributable to the person because of that person's voting or investment power or other relationship. Unless otherwise indicated, each person in the table has sole voting and investment power over the shares listed. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.

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- (3) The number of shares of common stock beneficially owned by each person is determined under rules promulgated by the Securities and Exchange Commission, or SEC. Under these rules, a person is deemed to have beneficial ownership of any shares over which that person has or shares voting or investment power, plus any shares that the person may acquire within 60 days, including through the exercise of stock options. Unless otherwise indicated, for each person named in the table, the number in the Shares Acquirable Within 60 Days column consists of shares covered by stock options that may be exercised within 60 days after January 15, 2008.
- (4) The percent ownership for each shareholder on January 15, 2008 is calculated by dividing (1) the total number of shares beneficially owned by the shareholder by (2) the number of shares of our common stock outstanding on January 15, 2008 (299,407,198 shares) plus any shares acquirable (including stock options exercisable) by the shareholder in question within 60 days after January 15, 2008.
- (5) Based on a Form 13F-HR filed by T. Rowe Price Associates, Inc. on November 14, 2007 reporting the above stock ownership as of September 30, 2007. T. Rowe Price Associates, Inc. reports that it has sole voting authority with respect to 9,191,004 shares and sole investment discretion with respect to 32,292,599 shares.
- (6) Based on a Form 13F-HR filed by Capital Research and Management Company on November 14, 2007 reporting the above stock ownership as of September 30, 2007. Capital Research and Management Company reports that it has no voting authority with respect to 32,262,732 shares and shared investment discretion with The Capital Group Companies, Inc. with respect to 32,262,732 shares.
- (7) Based on a Form 13F-HR filed by UBS Global Management (Americas) Inc. on November 15, 2007 reporting the above stock ownership as of September 30, 2007. UBS Global Management (Americas) Inc. reports that it has sole voting authority with respect to 25,665,434 shares. UBS Global Management (Americas) Inc. also reports that it has shared investment discretion with DSI International Management with respect to 18,300 shares, shared investment discretion with UBS AG / UBS Global Asset Management with respect to 10,738,990 shares, shared investment discretion with UBS Global Asset Management (UK) LTD with respect to 3,642,901 shares, shared investment discretion with UBS Global Asset Management Trust Company with respect to 815,000 shares and shared investment discretion with UBS Asset Management Life LTD with respect to 1,558,215 shares.
- (8) On December 4, 2007, Mr. Thurow ceased serving as a Class I Director of the Company. Also on December 4, 2007, Yves-Andre Istel was elected to the Board of Directors of the Company as a Class I Director, filling the vacancy left by Mr. Thurow's departure.
- (9) Ms. King will not stand for re-election as a Class III Director at the Company's 2008 Annual Meeting of Shareholders to be held on March 11, 2008, and will cease serving as a Class III Director of the Company on that date.
- (10) Includes 1,108,709 shares held by Mr. Stata's wife, 400,277 shares held in trusts for the benefit of Mr. Stata's children and 2,487,588 shares held in charitable lead trusts, as to which Mr. Stata disclaims beneficial ownership.
- (11) All directors and executive officers as a group disclaim beneficial ownership of a total of 3,996,574 shares.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and the holders of more than 10% of our common stock to file with the SEC initial reports of ownership of our common stock and other equity securities on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. Officers, directors and 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of our records and written representations by the persons required to file these reports, all filing requirements of Section 16(a) were satisfied with respect to our most recent fiscal year.

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PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors is divided into three classes, with one class being elected each year and members of each class holding office for a three-year term. Our Board of Directors currently consists of ten members, three of whom are Class I directors (with terms expiring at the 2009 annual meeting), four of whom are Class II directors (with terms expiring at the 2010 annual meeting), and three of whom are Class III directors (with terms expiring at the 2008 annual meeting).

At the 2008 annual meeting, shareholders will have an opportunity to vote for the nominees for Class III directors, John L. Doyle, Paul J. Severino and Ray Stata. Mr. Doyle is currently serving as a Class III director and has been a director since 1987. Mr. Stata is currently serving as a Class III director and has been a director since 1965. Ms. Christine King, who is currently a Class III director, is not standing for re-election. In order to rebalance our Board of Directors following Ms. King's departure, Mr. Severino will resign as a Class II director immediately prior to the 2008 annual meeting and stand for election as a Class III director. The persons named in the enclosed proxy card will vote to elect these three nominees as Class III directors, unless you withhold authority to vote for the election of any or all nominees by marking the proxy card (whether executed by you or through Internet or telephonic voting) to that effect. Each of the nominees has indicated his willingness to serve, if elected. However, if any or all of the nominees should be unable or unwilling to serve, the proxies may be voted for a substitute nominee designated by our Board of Directors or our Board of Directors may reduce the number of directors.

The following paragraphs provide information as of the date of this proxy statement about each member of our Board of Directors, including the nominees for Class III directors. The information presented includes information each director has given us about his age, all positions he holds, his principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he serves as a director. Information about the number of shares of common stock beneficially owned by each director appears above under the heading Security Ownership of Certain Beneficial Owners and Management.

There are no family relationships among any of the directors and executive officers of Analog.

Nominees for Class III Directors (Terms Expire at the 2011 Annual Meeting)

JOHN L. DOYLE, *Director since 1987*

Mr. Doyle, age 76, has been self-employed as a technical consultant since September 1991. He was employed formerly by the Hewlett-Packard Company, a provider of technology solutions, where he served as the Executive Vice President of Business Development from 1988 through 1991, Executive Vice President, Systems Technology Sector from 1986 to 1988, Executive Vice President, Information Systems and Networks from 1984 to 1986, and Vice President, Research and Development from 1981 to 1984. Mr. Doyle also serves as a director of Xilinx, Inc.

PAUL J. SEVERINO, *Director since November 2005*

Mr. Severino, age 61, has been an investment advisor to emerging technology companies and venture funds since 1996. From 1994 to 1996, he was Chairman of Bay Networks, Inc., a data networking products services company, after its formation from the merger of Wellfleet Communications, Inc. and Synoptics Communications, Inc. Prior to that, he was a founder, President and Chief Executive Officer of Wellfleet Communications, Inc. Mr. Severino is also a director of Sonus Networks, Inc.

RAY STATA, *Chairman of the Board of Directors; Director since 1965*

Mr. Stata, age 73, has served as our Chairman of the Board of Directors since 1973 and an executive employee of our company since November 1996. Mr. Stata served as our Chief Executive Officer from 1973 to November 1996 and as our President from 1971 to November 1991. Mr. Stata also serves as a trustee of the Massachusetts Institute of Technology.

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Class I Directors (Terms Expire at the 2009 Annual Meeting)

JAMES A. CHAMPY, *Director since March 2003*

Mr. Champy, age 65, has been a Vice President of Perot Systems Corporation, a technology services and business solutions company, since 1996. Mr. Champy also serves as a trustee of the Massachusetts Institute of Technology.

KENTON J. SICCHITANO, *Director since March 2003*

Mr. Sicchitano, age 63, has been retired since June 2001. He joined Price Waterhouse LLP, a predecessor firm of PricewaterhouseCoopers LLP, in 1970 and became a partner in 1979. PricewaterhouseCoopers LLP, or PwC, is a public accounting firm. At the time of his retirement, Mr. Sicchitano was the Global Managing Partner of Independence and Regulatory Matters for PwC. During his 31-year tenure with PwC, Mr. Sicchitano held various positions including the Global Managing Partner of Audit/Business Advisory Services and the Global Managing Partner responsible for Audit/Business Advisory, Tax/Legal and Financial Advisory Services. Mr. Sicchitano also serves as a director of PerkinElmer, Inc. and MetLife, Inc. Mr. Sicchitano is a certified public accountant.

YVES-ANDRE ISTELE, *Director since December 2007*

Mr. Istel, age 71, has been a Senior Advisor to Rothschild, Inc., an international investment bank, since April 2002, and was Vice Chairman of Rothschild, Inc. from 1993 to April 2002. He was previously Chairman of Wasserstein Perella & Co. International and Managing Director of Wasserstein Perella & Co., Inc. from 1988 to 1992. Mr. Istel also serves as a director of Imperial Sugar Company, a processor and marketer of refined sugar, and Compagnie Financiere Richemont S.A., the parent group owning luxury good companies, including Cartier and Montblanc.

Class II Directors (Terms Expire at the 2010 Annual Meeting)

JERALD G. FISHMAN, *President and Chief Executive Officer; Director since 1991*

Mr. Fishman, age 62, has been our President and Chief Executive Officer since November 1996 and served as our President and Chief Operating Officer from November 1991 to November 1996. Mr. Fishman served as our Executive Vice President from 1988 to November 1991. He served as our Group Vice President-Components from 1982 to 1988. Mr. Fishman also serves as a director of Cognex Corporation and Xilinx, Inc.

JOHN C. HODGSON, *Director since September 2005*

Mr. Hodgson, age 64, has been retired since December 2006. He served as Senior Vice President and Chief Marketing and Sales Officer for DuPont, a science-based products and services company, from January 2006 to December 2006. Mr. Hodgson served as Senior Vice President and Chief Customer Officer from May 2005 to January 2006, Executive Vice President and Chief Marketing and Sales Officer from February 2002 to May 2005 and Group Vice President and General Manager of DuPont iTechnologies from February 2000 to February 2002.

F. GRANT SAVIERS, *Director since 1997*

Mr. Saviers, age 63, has been retired since August 1998. He served as Chairman of the Board of Adaptec, Inc., a provider of high-performance input/output products, from August 1997 to August 1998, President and Chief

Executive Officer of Adaptec from July 1995 to August 1998, and President and Chief Operating Officer of Adaptec from August 1992 to July 1995. Prior to joining Adaptec, Mr. Saviers was employed with Digital Equipment Corporation, a computer manufacturer, for more than five years, last serving as Vice President of its Personal Computer and Peripherals Operation.

Our Board of Directors recommends that you vote FOR the election of Messrs. Doyle, Severino and Stata.

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CORPORATE GOVERNANCE

General

We have long believed that good corporate governance is important to ensure that Analog Devices is managed for the long-term benefit of its shareholders. We periodically review our corporate governance policies and practices and compare them to those suggested by various authorities in corporate governance and the practices of other public companies. As a result, we have adopted policies and procedures that we believe are in the best interests of Analog Devices and its shareholders. In particular, we have adopted the following policies and procedures:

Shareholder Voting Policy for Election of Directors. At this year's annual meeting, our Board of Directors is proposing, and recommending that our shareholders approve, amendments to our articles of organization and our bylaws providing for a majority voting standard in uncontested director elections. If the amendments to our articles of organization and our bylaws are approved by our shareholders, our Board of Directors would adopt certain conforming amendments to the director resignation policy set forth in our corporate governance guidelines. Our corporate governance guidelines currently include a policy that any director who receives more withheld votes than for votes in an uncontested election at an annual meeting will offer his or her resignation to the Board promptly after the voting results are certified. If the proposed amendments are approved by our shareholders, this resignation policy would be amended to apply to uncontested incumbent director nominees receiving a majority of votes against his or her election. The amended policy would provide that a committee of independent directors, which will specifically exclude any director who is required to offer his or her own resignation, will carefully consider all relevant factors, including, as the committee deems appropriate, any stated reasons why shareholders voted against the election of such director, any alternatives for curing the underlying cause of the votes cast against the election of such director, the director's tenure, the director's qualifications, the director's past and expected future contributions to Analog, the overall composition of our Board and whether accepting the resignation would cause Analog Devices to fail to meet any applicable rules or regulations of the Securities and Exchange Commission or the New York Stock Exchange. Our Board will act upon this committee's recommendation within 90 days following certification of the shareholder vote and may, among other things, accept the resignation, maintain the director but address what the committee believes to be the underlying cause of the votes cast against the election of such director, maintain the director but resolve that the director will not be re-nominated in the future for election, or reject the resignation. We will publicly disclose the Board's decision with regard to any resignation offered under these circumstances with an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the offered resignation.

Stock Ownership Guidelines. In January 2006, we established stock ownership guidelines for our directors and executive officers. Under our guidelines, the target share ownership levels are two times the annual cash retainer for directors, two times annual salary for the Chief Executive Officer and one times annual salary for other executive officers. Directors (including the Chief Executive Officer) have three years to achieve their targeted level. Executive officers other than the CEO have five years to achieve the targeted level. Shares subject to unexercised options, whether or not vested, will not be counted for purposes of satisfying these guidelines.

Stock Option Grant Date Policy. Our policy is that we do not time or select the grant dates of any stock options or stock-based awards in coordination with the release by us of material non-public information, nor do we have any program, plan or practice to do so. In addition, during fiscal year 2006, the Compensation Committee adopted specific written policies regarding the grant dates of stock options and stock-based awards made to the Company's executive officers and employees. See INFORMATION ABOUT EXECUTIVE COMPENSATION Compensation Discussion and Analysis Related Policies and Considerations Stock Option Grant Date Policy for information relating to these policies.

You can access the current charters for our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and our Stock Option Grant Date Policy at www.analog.com/governance or by writing to:

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Maria Tagliaferro
Director, Corporate Communications
Analog Devices, Inc.
One Technology Way
Norwood, MA 02062
Phone: 781-461-3282
Fax: 781-461-3491
Email: investor.relations@analog.com

Determination of Independence

Under current NYSE rules, a director of Analog Devices only qualifies as independent if our Board of Directors affirmatively determines that the director has no material relationship with Analog Devices (either directly or as a partner, shareholder or officer of an organization that has a relationship with Analog Devices). Our Board of Directors has established guidelines to assist it in determining whether a director has a material relationship with Analog Devices. Under these guidelines, a director is not considered to have a material relationship with Analog Devices if he or she is independent under Section 303A.02(b) of the NYSE Listed Company Manual and he or she:

is an executive officer or an employee, or has an immediate family member who is an executive officer, of a company that makes payments to, or receives payments from, Analog Devices for property or services, unless the amount of such payments or receipts, in any of the three fiscal years preceding the determination, exceeded the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues;

is an executive officer of another company which is indebted to Analog Devices, or to which Analog Devices is indebted, unless the total amount of either company's indebtedness to the other is more than five percent (5%) of the total consolidated assets of the company for which he or she serves as an executive officer;

is a director of another company that does business with Analog Devices, provided that he or she owns less than five percent (5%) of the outstanding capital stock of the other company and recuses himself or herself from any deliberations of Analog Devices with respect to such other company; or

serves as an executive officer of a charitable organization, unless Analog Devices' charitable contributions to the organization, in any of the three fiscal years preceding the determination, exceeded the greater of \$1 million, or two percent (2%) of such charitable organization's consolidated gross revenues.

The guidelines provide that ownership of a significant amount of Analog Devices' stock, by itself, does not constitute a material relationship.

For relationships not covered by the guidelines set forth above, the determination of whether a material relationship exists is made by the other members of our Board of Directors who are independent (as defined above).

Our Board of Directors has determined that each of Messrs. Champy, Doyle, Hodgson, Istel, Saviers, Severino and Sicchitano and Ms. King is independent within the meaning of Section 303A.02(b) of the NYSE Listed Company Manual. Each of these directors has no relationship with Analog, other than any relationship that is categorically not material under the guidelines shown above and other than as disclosed in this proxy statement under Director Compensation and Certain Relationships and Related Transactions. The Board has determined that the relationships described in this proxy statement do not preclude a determination of independence because the amounts involved are not material and will not impair the applicable director's ability to render independent judgment.

Director Candidates

Shareholders of record of Analog Devices may recommend director candidates for inclusion by the Board of Directors in the slate of nominees which the Board recommends to our shareholders for election. The qualifications of recommended candidates will be reviewed by the Nominating and Corporate Governance Committee. If the

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Board determines to nominate a shareholder-recommended candidate and recommends his or her election as a director by the shareholders, the name will be included in Analog Devices' proxy card for the shareholders' meeting at which his or her election is recommended.

Shareholders may recommend individuals for the Nominating and Corporate Governance Committee to consider as potential director candidates by submitting their names and background and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of Analog Devices common stock for at least one year as of the date such recommendation is made, to the Analog Devices Nominating and Corporate Governance Committee, Analog Devices, Inc., One Technology Way, PO Box 9106, Norwood, MA 02062. The Nominating and Corporate Governance Committee will consider a recommendation only if appropriate biographical information and background material is provided on a timely basis. The process followed by the Nominating and Corporate Governance Committee to identify and evaluate candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the Nominating and Corporate Governance Committee and the Board. Assuming that appropriate biographical and background material is provided for candidates recommended by shareholders on a timely basis, the Nominating and Corporate Governance Committee will evaluate director candidates recommended by shareholders by following substantially the same process, and applying substantially the same criteria, as it follows for director candidates submitted by Board members.

Shareholders also have the right to directly nominate director candidates, without any action or recommendation on the part of the Nominating and Corporate Governance Committee or the Board, by following the procedures set forth in ADI's amended and restated bylaws and described in the response to the question **How and when may I submit a shareholder proposal, including a shareholder nomination for director, for the 2009 annual meeting?** contained elsewhere in this proxy statement.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by shareholders, the Nominating and Corporate Governance Committee will apply the criteria set forth in Analog Devices' Corporate Governance Guidelines. These criteria include the candidate's integrity, business acumen, age, experience, commitment, diligence, conflicts of interest and the ability to act in the interests of all shareholders. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. Analog Devices believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

Communications from Shareholders and Other Interested Parties

The Board will give appropriate attention to written communications on issues that are submitted by shareholders and other interested parties, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Chairman of the Nominating and Corporate Governance Committee will, with the assistance of Analog Devices' internal legal counsel, (1) be primarily responsible for monitoring communications from shareholders and other interested parties and (2) provide copies or summaries of such communications to the other directors as he considers appropriate.

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Chairman of the Nominating and Corporate Governance Committee considers to be important for the directors to review. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which Analog

Devices tends to receive repetitive or duplicative communications.

Shareholders and other interested parties who wish to send communications on any topic to the Board should address such communications to John L. Doyle, Chairman of the Nominating and Corporate Governance Committee, c/o General Counsel, Analog Devices, Inc., One Technology Way, PO Box 9106, Norwood, MA 02062.

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Board of Directors Meetings and Committees

The Board of Directors has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The Board's primary responsibility is to oversee the management of the Company and, in so doing, serve the best interests of the Company and its shareholders. Subject to oversight by the Nominating and Corporate Governance Committee, the Board selects, evaluates and provides for the succession of executive officers and the Board nominates for election at annual shareholder meetings individuals to serve as directors of Analog Devices and elects individuals to fill any vacancies on the Board. It reviews and approves corporate objectives and strategies, and evaluates significant policies and proposed major commitments of corporate resources. It participates in decisions that have a potential major economic impact on Analog Devices. Management keeps the directors informed of Company activity through regular written reports and presentations at Board and committee meetings.

The Board of Directors met fifteen times in fiscal 2007 (including by telephone conference). During fiscal 2007, each of our directors who served as a director during fiscal year 2007 attended 75% or more of the total number of meetings of the Board of Directors and the committees of which such director was a member during the period of time which he or she served on such committee. The Board has standing Audit, Compensation, and Nominating and Corporate Governance Committees. Each committee has a charter that has been approved by the Board. Each committee must review the appropriateness of its charter and perform a self-evaluation at least annually. Messrs. Stata and Fishman are the only directors who are also employees of Analog Devices. They do not participate in any board or committee meeting at which their compensation is evaluated. All members of all three committees are non-employee directors.

Our Board of Directors has appointed Mr. Doyle, presiding director, to preside at all executive sessions of non-management directors, as defined under the rules of the NYSE.

Our Corporate Governance Guidelines set forth our policy that directors should attend annual meetings of shareholders. Nine of the ten directors that were directors at the time of the 2007 annual meeting of shareholders attended the 2007 annual meeting of shareholders.

Audit Committee

The current members of our Audit Committee are Messrs. Sicchitano (Chair) and Doyle and Ms. King. The Board of Directors has determined that each of Messrs. Sicchitano and Doyle and Ms. King qualifies as an audit committee financial expert under the rules of the SEC. Each of Messrs. Sicchitano and Doyle and Ms. King is an independent director under the rules of the NYSE governing the qualifications of the members of audit committees and Rule 10A-3(b)(1) of the Exchange Act. In addition, our Board of Directors has determined that each member of the Audit Committee is financially literate and has accounting and/or related financial management expertise as required under the rules of the NYSE. None of Messrs. Sicchitano or Doyle or Ms. King serves on the audit committees of more than two other public companies. The Audit Committee assists the Board's oversight of the integrity of our financial statements, the qualifications and independence of our independent registered public accounting firm, and the performance of our internal audit function and independent registered public accounting firm. The Audit Committee has the authority to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Audit Committee. The Audit Committee did not retain any such advisors during fiscal year 2007. The Audit Committee met nine times during fiscal 2007 (including by telephone

conference). The responsibilities of our Audit Committee and its activities during fiscal 2007 are described in the Report of the Audit Committee contained in this proxy statement.

Compensation Committee

The current members of our Compensation Committee are Messrs. Champy (Chair), Saviers and Severino. The Board has determined that each of Messrs. Champy, Saviers and Severino is independent as defined under the rules of the NYSE. Our Compensation Committee held fourteen meetings (including by telephone conference) during fiscal 2007. The Compensation Committee evaluates and sets the compensation of our Chief Executive

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Officer and our other executive officers, and makes recommendations to our Board of Directors regarding the compensation of our directors. The Compensation Committee oversees the evaluation of senior management by the Board of Directors. In connection with its oversight and administration of ADI's cash and equity incentive plans, the Compensation Committee grants stock options and other stock incentives (within guidelines established by our Board of Directors) to our officers and employees. The Compensation Committee has the authority to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Compensation Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Compensation Committee. The Compensation Committee retained Pearl Meyer and Partners, an independent compensation consultant, during fiscal year 2007. In accordance with the terms of the 2006 Stock Incentive Plan, the Compensation Committee has delegated to our executive officers and certain members of senior management the power to grant options and other stock awards to employees who are not executive officers or directors, subject to specified thresholds. The responsibilities of our Compensation Committee and its activities during fiscal 2007 are described in INFORMATION ABOUT EXECUTIVE COMPENSATION Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee

The current members of our Nominating and Corporate Governance Committee are Messrs. Doyle (Chair), Hodgson and Istel. Mr. Istel joined the Nominating and Corporate Governance Committee on January 22, 2008. The Board has determined that each of Messrs. Doyle, Hodgson and Istel is independent as defined under the rules of the NYSE. The purpose of the Nominating and Corporate Governance Committee is to identify individuals qualified to become Board members consistent with criteria approved by the Board, recommend to the Board the persons to be nominated by the Board for election as directors at any meeting of shareholders, develop and recommend to the Board a set of corporate governance principles and oversee the evaluation of the Board. The responsibilities of the Nominating and Corporate Governance Committee also include oversight of the Board's annual review of succession planning with respect to senior executives and oversight of ADI's Code of Business Conduct and Ethics. The Nominating and Corporate Governance Committee has the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee. The Committee did not retain any such advisers during fiscal year 2007. For information relating to nominations of directors by our shareholders, see Director Candidates above. Our Nominating and Corporate Governance Committee held four meetings during fiscal year 2007 (including by telephone conference).

Report of the Audit Committee

The Audit Committee of the Board of Directors oversees Analog Devices' financial reporting process on behalf of the Company's Board of Directors, reviews the Company's financial disclosures, oversees the Company's internal audit function, and meets privately, outside the presence of the Company's management, with the Company's independent registered public accounting firm and the Company's internal auditors to discuss the Company's internal accounting control policies and procedures. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements contained in the Annual Report on Form 10-K and the quarterly financial statements during fiscal 2007, including the specific disclosures in the section titled Management Discussion and Analysis of Financial Condition and Results of Operations. These discussions also addressed the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The Audit Committee reports on these meetings to the Company's Board of Directors. The Audit Committee also selects and appoints the Company's

independent registered public accounting firm, reviews the performance of the independent registered public accounting firm during the annual audit and on assignments unrelated to the audit, assesses the independence of the independent registered public accounting firm and reviews and approves the independent registered public accounting firm's fees. The Audit Committee also has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence

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of our independent registered public accounting firm. The Audit Committee operates under a written charter adopted by the Company's Board of Directors.

The Audit Committee is composed of three non-employee directors, each of whom is an independent director under the rules of the NYSE governing the qualifications of the members of audit committees and under Rule 10A-3(b)(1) of the Exchange Act. The Board of Directors has determined that each of Messrs. Sicchitano and Doyle and Ms. King qualifies as an audit committee financial expert under the rules of the Securities and Exchange Commission. In addition, the Board of Directors has determined that each member of the Audit Committee is financially literate and has accounting and/or related financial management expertise as required under the rules of the NYSE.

The Audit Committee held nine meetings (including by telephone conference) during the fiscal year ended November 3, 2007. The meetings were designed to facilitate and encourage communication between members of the Audit Committee and management as well as private communication between the members of the Audit Committee, the Company's internal auditors and the Company's independent registered public accounting firm, Ernst & Young LLP.

The Audit Committee reviewed with the Company's independent registered public accounting firm, who are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee has discussed with the independent registered public accounting firm (i) the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU§380), and (ii) the independent registered public accounting firm's independence from Analog Devices and its management, including the matters in the written disclosures we received from the independent registered public accounting firm as required by the Public Company Accounting Oversight Board's Rule 3600T, which adopted on an interim basis Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and considered the appropriateness of the provision of non-audit services by the independent registered public accounting firm relative to their independence.

Based on its review and discussions, the Audit Committee recommended to the Company's Board of Directors (and the Board of Directors has approved) that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended November 3, 2007. The Audit Committee also selected Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending November 1, 2008.

Audit Committee,
Kenton J. Sicchitano, *Chairman*
John L. Doyle
Christine King

Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees billed for services rendered by Ernst & Young LLP, our independent registered public accounting firm, for the fiscal years ended November 3, 2007 and October 28, 2006.

Fiscal 2007 **Fiscal 2006**

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Audit Fees	\$ 2,355,000	\$ 2,075,000
Audit-Related Fees	115,000	597,000
Tax Fees	709,000	612,000
Total Fees	\$ 3,179,000	\$ 3,284,000

Audit Fees. These are fees related to professional services rendered in connection with the audit of our consolidated financial statements, the audit of the effectiveness of our internal control over financial reporting, the reviews of our interim financial statements included in each of our Quarterly Reports on Form 10-Q, international

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statutory audits, and accounting consultations that relate to the audited financial statements and are necessary to comply with U.S. generally accepted accounting principles.

Audit-Related Fees. These are fees for assurance and related services and consisted primarily of specific internal control process reviews, audits of employee benefit plans, due diligence and consultations regarding proposed transactions and accounting matters not related to the annual audit. The fiscal 2006 fees also included the fees associated with the carve-out audit required as part of the sale of our DSP-based DSL ADIC and network processor product line during fiscal 2006.

Tax Fees. These are fees for professional services related to tax return preparation services for our expatriates, international tax returns, tax advice and assistance with international tax audits. Included in this amount are fees of \$576,000 in fiscal 2007 and \$487,000 in fiscal 2006 for tax compliance services for our international affiliates and tax return preparation services for our expatriate employees on international assignments. Ernst & Young does not provide tax services to any executive officer of Analog Devices.

Audit Committee's Pre-Approval Policy and Procedures

The Audit Committee of our Board of Directors has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our independent registered public accounting firm. We may not engage our independent registered public accounting firm to render any audit or non-audit service unless either the service is approved in advance by the Audit Committee or the engagement to render the service is entered into pursuant to the Audit Committee's pre-approval policies and procedures. On an annual basis, the Audit Committee may pre-approve services that are expected to be provided to Analog Devices by the independent registered public accounting firm during the following 12 months. At the time such pre-approval is granted, the Audit Committee must (1) identify the particular pre-approved services in a sufficient level of detail so that management will not be called upon to make judgment as to whether a proposed service fits within the pre-approved services and (2) establish a monetary limit with respect to each particular pre-approved service, which limit may not be exceeded without obtaining further pre-approval under the policy. At regularly scheduled meetings of the Audit Committee, management or the independent registered public accounting firm must report to the Audit Committee regarding each service actually provided to Analog Devices.

If the cost of any service exceeds the pre-approved monetary limit, such service must be approved (1) by the entire Audit Committee if the cost of the service exceeds \$100,000 or (2) by the Chairman of the Audit Committee if the cost of the service is less than \$100,000 but greater than \$10,000. If the cost of any service exceeds the pre-approved monetary limit, individual items with a cost of less than \$10,000 each do not require further pre-approval, provided that the total cost of all such individual items does not exceed \$40,000 and an update of all items in this category is provided to the Audit Committee at each quarterly scheduled meeting. However, if the cost of all such individual items will exceed \$40,000, the Chairman of the Audit Committee must receive a summary of such items with a request for approval of any amounts to be incurred in excess of \$40,000.

The Audit Committee has delegated authority to the Chairman of the Audit Committee to pre-approve any audit or non-audit services to be provided to Analog Devices by the independent registered public accounting firm for which the cost is less than \$100,000. During fiscal year 2007, no services were provided to Analog Devices by Ernst & Young LLP other than in accordance with the pre-approval policies and procedures described above.

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The following table details the total compensation earned by our non-employee directors in fiscal 2007.

2007 Director Compensation

Name(1)	Fees Earned or Paid in Cash \$(2)	Option Awards \$(3)(4)	Total (\$)
James A. Champy	75,000	130,397	205,397
John L. Doyle	70,000	130,397	200,397
John C. Hodgson	60,000	105,571	165,571
Christine King(5)	60,000	130,397	190,397
F. Grant Saviers	60,000	130,397	190,397
Paul J. Severino	60,000	98,452	158,452
Kenton J. Sicchitano	75,000	130,397	205,397
Lester C. Thurow(5)	60,000	130,397	190,397

- (1) Messrs. Fishman and Stata were the only directors during fiscal 2007 that were also employees of Analog. Neither receives any compensation in their capacities as directors of Analog. Mr. Fishman's compensation is included in the Summary Compensation Table on page 31 and Mr. Stata's compensation is included under Certain Relationships and Related Transactions.
- (2) This amount includes a \$60,000 annual board retainer. An additional annual retainer of \$15,000 is paid to the chair of the Audit Committee and Compensation Committee, and \$10,000 to the chair of the Nominating and Corporate Governance Committee. Commencing in fiscal 2008, the annual retainer payable to the chair of the Nominating and Corporate Governance Committee was increased to \$15,000. These cash retainers are paid in quarterly installments each on the 15th day of December, March, June and September of each fiscal year.
- (3) With the exception of ignoring the impact of the forfeiture rate, these amounts represent the dollar amount recognized by the Company for financial reporting purposes, in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), related to grants of options to each listed director. These amounts do not represent the actual amounts paid to or realized by the directors during fiscal 2007. The SFAS 123R value as of the grant date for stock options is recognized over the number of days of service required for the grant to become vested. Ratable amounts expensed for stock options that were granted in years prior to fiscal 2007 are also reflected in the table above.

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The following table includes the assumptions used to calculate the compensation expense reported for 2007 on a grant by grant basis for our directors.

Name	Grant Date	Shares Granted (#)	Exercise Price(\$)	Volatility (%)	Assumptions			2007 Expense (\$)
					Expected Life (Years)	Risk-Free Interest Rate(%)	Dividend Yield(%)	
James A. Champy	12/10/2003	18,000	45.27	69.315	5.76	3.480	0.350	6,455
	12/07/2004	18,000	37.70	27.040	5.00	3.600	0.637	25,490
	12/06/2005	15,000	39.44	28.640	5.00	4.420	1.217	59,140
	1/04/2007	15,000	33.41	30.496	5.10	4.610	2.155	39,312
John L. Doyle	12/10/2003	18,000	45.27	69.315	5.76	3.480	0.350	6,455
	12/07/2004	18,000	37.70	27.040	5.00	3.600	0.637	25,490
	12/06/2005	15,000	39.44	28.640	5.00	4.420	1.217	59,140
	1/04/2007	15,000	33.41	30.496	5.10	4.610	2.155	39,312
John C. Hodgson	9/13/2005	18,000	38.35	27.690	5.00	4.230	1.126	51,474
	12/06/2005	3,750	39.44	28.640	5.00	4.420	1.217	14,785
	1/04/2007	15,000	33.41	30.496	5.10	4.610	2.155	39,312
Christine King	12/10/2003	18,000	45.27	69.315	5.76	3.480	0.350	6,455
	12/07/2004	18,000	37.70	27.040	5.00	3.600	0.637	25,490
	12/06/2005	15,000	39.44					