SKYWORKS SOLUTIONS INC
Form 10-K/A
February 01, 2010

**Table of Contents**

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**
**FORM 10-K/A**
**Amendment No. 1**

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended October 2, 2009**

**OR**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Transition period from __________ to __________**

**Commission file number**
**001-5560**
**SKYWORKS SOLUTIONS, INC.**
*(Exact Name of Registrant as Specified in its Charter)*

| | |
|---|---|
| **Delaware** | **04-2302115** |
| *(State or Other Jurisdiction of Incorporation or Organization)* | *(I.R.S. Employer Identification No.)* |
| **20 Sylvan Road, Woburn, Massachusetts** | **01801** |
| *(Address of Principal Executive Offices)* | *(Zip Code)* |

**Registrant s telephone number, including area code: (781) 376-3000**
**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of Each Class** | **Name of Each Exchange on Which Registered** |
|---|---|
| Common Stock, par value $0.25 per share | NASDAQ Global Select Market |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. þ Yes o No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. o Yes þ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated filer þ | Accelerated filer o | Non-accelerated filer o (Do not check if a smaller reporting company) | Smaller reporting company o |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes þ No

The aggregate market value of the registrant s common stock held by non-affiliates of the registrant (based on the closing price of the registrant s common stock as reported on the NASDAQ Global Select Market on the last business day of the registrant s most recently completed second fiscal quarter (April 3, 2009)) was approximately $1,467,316,160. The number of outstanding shares of the registrant s common stock, par value, $0.25 per share as of November 16, 2009, was 174,378,774.

**TABLE OF CONTENTS**

Table of Contents

## EXPLANATORY NOTE

This Amendment No. 1 amends Skyworks Solutions, Inc. s ( Skyworks or the Company ) Annual Report on Form 10-K for the year ended October 2, 2009, which was filed with the Securities and Exchange Commission ( SEC ) on November 30, 2009 (the Original Filing ). The Company is filing this Amendment No. 1 for the sole purpose of providing the information required in Part III of Form 10-K, as the Company s 2010 Annual Meeting of Stockholders is scheduled for May 11, 2010, and, accordingly, the Company s Proxy Statement relating to such Annual Meeting will be filed after the date hereof. Except as described above, this Amendment No. 1 does not amend any other information set forth in the Original Filing, and the Company has not updated disclosures included therein to reflect any subsequent events.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

### DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth for each director and executive officer of the Company his position with the Company as of January 15, 2010:

| Name | Title |
|---|---|
| David J. McLachlan | Chairman of the Board |
| David J. Aldrich | President, Chief Executive Officer and Director |
| Kevin L. Beebe | Director |
| Moiz M. Beguwala | Director |
| Timothy R. Furey | Director |
| Balakrishnan S. Iyer | Director |
| Thomas C. Leonard | Director |
| David P. McGlade | Director |
| Robert A. Schriesheim | Director |
| Donald W. Palette | Vice President and Chief Financial Officer |
| Bruce J. Freyman | Vice President, Worldwide Operations |
| Liam K. Griffin | Senior Vice President, Sales and Marketing |
| George M. LeVan | Vice President, Human Resources |
| Mark V.B. Tremallo | Vice President, General Counsel and Secretary |
| Gregory L. Waters | Executive Vice President and General Manager, Front-End Solutions |

*David J. Aldrich,* age 52, has served as Chief Executive Officer, President and Director of the Company since April 2000. From September 1999 to April 2000, Mr. Aldrich served as President and Chief Operating Officer. From May 1996 to May 1999, when he was appointed Executive Vice President, Mr. Aldrich served as Vice President and General Manager of the semiconductor products business unit. Mr. Aldrich joined the Company in 1995 as Vice President, Chief Financial Officer and Treasurer. From 1989 to 1995, Mr. Aldrich held senior management positions at M/A-COM, Inc. (developer and manufacturer of radio frequency and microwave semiconductors, components and IP networking solutions), including Manager Integrated Circuits Active Products, Corporate Vice President of Strategic Planning, Director of Finance and Administration and Director of Strategic Initiatives with the Microelectronics Division. Mr. Aldrich has also served since February 2007 as a director of Belden Inc. (a publicly traded designer and manufacturer of cable products and transmission solutions).

*Kevin L. Beebe*, age 50, has been a director since January 2004. Since November 2007, he has been President and Chief Executive Officer of 2BPartners, LLC (a partnership that provides strategic, financial and operational advice to investors and management, and whose clients include Carlyle Group, GS Capital Partners, KKR and TPG Capital). Previously, beginning in 1998, he was Group President of Operations at ALLTEL Corporation, a telecommunications services company. From 1996 to 1998, Mr. Beebe served as Executive Vice President of Operations for 360° Communications Co., a wireless communication company. He has held a variety of executive and senior management positions at several divisions of Sprint, including Vice President of Operations and Vice President of Marketing and Administration for Sprint Cellular, Director of Marketing for Sprint North Central Division, Director of Engineering and Operations Staff and Director of Product Management and Business Development for Sprint Southeast Division, as well as Staff Director of Product Services at Sprint Corporation. Mr. Beebe began his career at AT&T/Southwestern Bell as a Manager. Mr. Beebe also serves as a director for SBA Communications Corporation (a publicly traded North American operator of wireless communications towers).

**Table of Contents**

*Moiz M. Beguwala*, age 63, has been a director since June 2002. He served as Senior Vice President and General Manager of the Wireless Communications business unit of Conexant from January 1999 to June 2002. Prior to Conexant s spin-off from Rockwell International Corporation, Mr. Beguwala served as Vice President and General Manager, Wireless Communications Division, Rockwell Semiconductor Systems, Inc. from October 1998 to December 1998; Vice President and General Manager Personal Computing Division, Rockwell Semiconductor Systems, Inc. from January 1998 to October 1998; and Vice President, Worldwide Sales, Rockwell Semiconductor Systems, Inc. from October 1995 to January 1998. Mr. Beguwala serves on the Board of Directors of Powerwave Technologies, Inc. (a publicly traded wireless solutions supplier for communications networks worldwide) and as Chairman of the Board of RF Nano Corporation (a privately held semiconductor company in Newport Beach, CA).

*Timothy R. Furey,* age 51, has been a director since 1998. He has been Chief Executive Officer of MarketBridge (a privately owned sales and marketing strategy and technology professional services firm) since 1991. His company s clients include organizations such as IBM, British Telecom and other global Fortune 500 companies selling complex technology products and services into both OEM and end-user markets. Prior to 1991, Mr. Furey held a variety of consulting positions with Boston Consulting Group, Strategic Planning Associates, Kaiser Associates and the Marketing Science Institute.

*Balakrishnan S. Iyer,* age 53, has been a director since June 2002. He served as Senior Vice President and Chief Financial Officer of Conexant Systems, Inc. from October 1998 to June 2003, and has been a director of Conexant since February 2002. Prior to joining Conexant, Mr. Iyer served as Senior Vice President and Chief Financial Officer of VLSI Technology Inc. Prior to that, he was corporate controller for Cypress Semiconductor Corp. and Director of Finance for Advanced Micro Devices, Inc. Mr. Iyer serves on the Board of Directors of Conexant, Life Technologies Corp., Power Integrations, Inc., QLogic Corporation, and IHS Inc. (each a publicly traded company).

*Thomas C. Leonard,* age 75, has been a director since August 1996. From April 2000 until June 2002, he served as Chairman of the Board of the Company, and from September 1999 to April 2000, he served the Company as Chief Executive Officer. From July 1996 to September 1999, he served as President and Chief Executive Officer. Mr. Leonard joined the Company in 1992 as a Division General Manager and was elected a Vice President in 1994. Mr. Leonard has over 30 years of experience in the microwave industry, having held a variety of executive and senior level management and marketing positions at M/A-COM, Inc., Varian Associates, Inc. and Sylvania.

*David P. McGlade,* age 49, has been a director since February 2005. Since April 2005, he has served as the Chief Executive Officer and Deputy Chairman of Intelsat Global SA (a privately held worldwide provider of fixed satellite services). Previously, Mr. McGlade served as an Executive Director of mmO2 PLC and as the Chief Executive Officer of O2 UK (a subsidiary of mmO2), a position he held from October 2000 until March 2005. Before joining O2 UK, Mr. McGlade was President of the Western Region for Sprint PCS.

*David J. McLachlan,* age 71, has been a director since 2000 and Chairman of the Board since May 2008. Mr. McLachlan served as a senior advisor to the Chairman and Chief Executive Officer of Genzyme Corporation (a publicly traded biotechnology company) from 1999 to 2004. He also was the Executive Vice President and Chief Financial Officer of Genzyme from 1989 to 1999. Prior to joining Genzyme, Mr. McLachlan served as Vice President and Chief Financial Officer of Adams-Russell Company (an electronic component supplier and cable television franchise owner). Mr. McLachlan also serves on the Board of Directors of Dyax Corp. (a publicly traded biotechnology company) and HearUSA, Ltd. (a publicly traded hearing care services company).

*Robert A. Schriesheim,* age 49, has been a director since 2006. Mr. Schriesheim currently serves as the Chief Financial Officer of Hewitt Associates, Inc. (a publicly traded global human resources consulting and outsourcing company). Previously, from October 2006 until December 2009, he was the Executive Vice President, Chief Financial Officer and Principal Financial Officer of Lawson Software, Inc. (a publicly traded ERP software provider). From August 2002 to October 2006, he was affiliated with ARCH Development Partners, LLC, a seed stage venture capital fund. Before joining ARCH, Mr. Schriesheim held executive positions at Global TeleSystems, SBC Equity Partners, Ameritech, AC Nielsen, and Brooke Group Ltd. Mr. Schriesheim is also a director of Lawson Software, Inc. and Enfora (a privately held provider of intelligent wireless machine-to-machine modules and integrated platform solutions).

*Donald W. Palette*, age 52, joined the Company as Vice President and Chief Financial Officer of Skyworks in August 2007. Previously, from May 2005 until August 2007, Mr. Palette served as Senior Vice President, Finance and Controller of Axcelis Technologies, Inc. (a publicly traded semiconductor equipment manufacturer). Prior to May 2005, he was Axcelis Controller beginning in 1999, Director of Finance beginning August 2000, and Vice President and Treasurer beginning in 2003. Before joining Axcelis in 1999, Mr. Palette was Controller of Financial Reporting/Operations for Simplex, a leading manufacturer of fire protection and security systems. Prior to that, Mr. Palette was Director of Finance for Bell & Howell s Mail Processing Company, a leading manufacturer of high speed mail insertion and sorting equipment.

**Table of Contents**

*Bruce J. Freyman,* age 49, joined the Company as Vice President, Worldwide Operations in May 2005. Previously, he served as President and Chief Operating Officer of Amkor Technology and also held various senior management positions, including Executive Vice President of Operations from 2001 to 2004. Earlier, Mr. Freyman spent 10 years with Motorola managing their semiconductor packaging operations for portable communications products.

*Liam K. Griffin,* age 43, joined the Company in August 2001 and serves as Senior Vice President, Sales and Marketing. Previously, Mr. Griffin was employed by Vectron International, a division of Dover Corp., as Vice President of Worldwide Sales from 1997 to 2001, and as Vice President of North American Sales from 1995 to 1997. His prior experience included positions as a Marketing Manager at AT&T Microelectronics, Inc. and Product and Process Engineer at AT&T Network Systems. Mr. Griffin also serves as a director of Vicor Corp. (a publicly traded designer, developer, manufacturer and marketer of modular power components and complete power systems).

*George M. LeVan,* age 64, has served as Vice President, Human Resources since June 2002. Previously, Mr. LeVan served as Director, Human Resources, from 1991 to 2002 and has managed the human resource department since joining the Company in 1982. Prior to 1982, Mr. LeVan held human resources positions at Data Terminal Systems, Inc., W.R. Grace & Co., Compo Industries, Inc. and RCA.

*Mark V.B. Tremallo,* age 53, joined the Company in April 2004 and serves as Vice President, General Counsel and Secretary. Previously, from January 2003 to April 2004, Mr. Tremallo was Senior Vice President and General Counsel at TAC Worldwide Companies (a technical workforce solutions provider). Prior to TAC, from May 1997 to May 2002, he was Vice President, General Counsel and Secretary at Acterna Corp. (a global communications test equipment and solutions provider). Earlier, Mr. Tremallo served as Vice President, General Counsel and Secretary at Cabot Safety Corporation.

*Gregory L. Waters,* age 49, joined the Company in April 2003, and has served as Executive Vice President and General Manager, Front-End Solutions since October 2006, Executive Vice President beginning November 2005, and Vice President and General Manager, Cellular Systems as of May 2004. Previously, from February 2001 until April 2003, Mr. Waters served as Senior Vice President of Strategy and Business Development at Agere Systems and, beginning in 1998, held positions there as Vice President of the Wireless Communications business and Vice President of the Broadband Communications business. Prior to working at Agere, Mr. Waters held a variety of senior management positions within Texas Instruments, including Director of Network Access Products and Director of North American Sales.

*Audit Committee*: We have established an Audit Committee comprised of the following individuals, each of whom qualifies as independent within the meaning of the applicable Listing Rules of the NASDAQ Stock Market LLC (the NASDAQ Rules ) and meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 ( Exchange Act ): Robert A. Schriesheim (Chairman), Kevin L. Beebe, Balakrishnan S. Iyer, Moiz M. Beguwala and David J. McLachlan.

*Audit Committee Financial Expert*: The Board of Directors has determined that each of Mr. Schriesheim (Chairman), Mr. Iyer and Mr. McLachlan, meets the qualifications of an audit committee financial expert under SEC Rules and the qualifications of financial sophistication under the NASDAQ Rules, and qualifies as independent as defined under the NASDAQ Rules.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16 (a) of the Exchange Act requires our directors, executive officers and beneficial owners of more than 10% of our equity securities to file reports of holdings and transactions in securities of Skyworks with the SEC. Based solely on a review of Forms 3, 4 and 5 and any amendments thereto furnished to us, and written representations provided to us, with respect to our fiscal year ended October 2, 2009, we believe that all Section 16(a) filing requirements applicable to our directors, executive officers and beneficial owners of more than 10% of our common stock with respect to such fiscal year were timely made.

Table of Contents

## CODE OF ETHICS

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We make available our code of business conduct and ethics free of charge through our website, which is located at www.skyworksinc.com. We intend to disclose any amendments to, or waivers from, our code of business conduct and ethics that are required to be publicly disclosed pursuant to rules of the SEC and the NASDAQ Rules by posting any such amendment or waivers on our website and disclosing any such waivers in a Form 8-K filed with the SEC.

## ITEM 11. EXECUTIVE COMPENSATION.

## COMPENSATION DISCUSSION AND ANALYSIS

***Who Sets Compensation for Senior Executives?***

The Compensation Committee, which is comprised solely of independent directors within the meaning of applicable NASDAQ Rules, outside directors within the meaning of Section 162 of the Internal Revenue Code ( Section 162(m) ) and non-employee directors within the meaning of Rule 16b-3 under the Exchange Act, is responsible for determining all components, and amounts, of compensation to be paid to our Chief Executive Officer, our Chief Financial Officer and each of our other executive officers, as well as any other officers or employees who report directly to the Chief Executive Officer.

This Compensation Discussion and Analysis section discusses the compensation policies and programs for our Chief Executive Officer, our Chief Financial Officer and our three next most highly paid executive officers during fiscal 2009 as determined under the rules of the SEC. We refer to this group of executive officers as our Named Executive Officers.

***What are the Objectives of Our Compensation Program?***

The objectives of our executive compensation program are to attract, retain and motivate highly qualified executives to operate our business, and to link the compensation of those executives to improvements in the Company s financial performance and increases in stockholder value. Accordingly, the Compensation Committee s goals in establishing our executive compensation program include:

(1) ensuring that our executive compensation program is competitive with a group of companies in the semiconductor industry with which we compete for executive talent;

(2) providing a base salary that serves as the foundation of a compensation package that attracts and retains the executive talent needed to achieve our business objectives;

(3) providing short-term variable compensation that motivates executives and rewards them for achieving financial performance targets;

(4) providing long-term stock-based compensation that aligns the interest of our executives with stockholders and rewards them for increases in stockholder value; and

(5) ensuring that our executive compensation program is perceived as fundamentally fair to all of our employees.

***How Do We Determine the Components and Amount of Compensation to Pay?***

The Compensation Committee sets compensation for the Named Executive Officers, including salary, short-term incentives and long-term stock-based awards, at levels generally intended to be competitive with the compensation of comparable executives in semiconductor companies with which the Company competes for executive talent.

*Retention of Compensation Consultant*

The Compensation Committee has engaged Aon/Radford Consulting to assist the Compensation Committee in determining the components and amount of executive compensation. The consultant reports directly to the Compensation Committee, through its chairperson, and the Compensation Committee retains the right to terminate or replace the consultant at any time. The consultant advises the Compensation Committee on such compensation matters as are requested by the Compensation Committee. The Compensation Committee considers the consultant s advice on such matters in addition to any other information or factors it considers relevant in making its compensation determinations.

Table of Contents

*Role of Chief Executive Officer*

The Compensation Committee also considers the recommendations of the Chief Executive Officer regarding the compensation of each of his direct reports, including the other Named Executive Officers. These recommendations include an assessment of each individual s responsibilities, experience, individual performance and contribution to the Company s performance, and also generally takes into account internal factors such as historical compensation and level in the organization, in addition to external factors such as the current environment for attracting and retaining executives.

*Establishment of Comparator Group Data*

In determining compensation for each of the Named Executive Officers, the committee utilizes Comparator Group data for each position. For fiscal year 2009, the Compensation Committee approved Comparator Group data consisting of a 50/50 blend of (i) Aon/Radford survey data of 45 semiconductor companies[1] and (ii) the public peer group data for 14 publicly-traded semiconductor companies with which the Company competes for executive talent (the Peer Group ):

| | | | |
|---|---|---|---|
| *Anadigics | *Fairchild Semiconductor | *LSI Logic | *Silicon Laboratories |
| *Analog Devices | *Integrated Device Technology | *National Semiconductor | *TriQuint Semiconductor |
| *Broadcom | *Intersil | *ON Semiconductor | |
| *Cypress Semiconductor | *Linear Technology | *RF Micro Devices | |

*Utilization of Comparator Group Data*

The Compensation Committee annually compares the components and amounts of compensation that we provide to our Chief Executive Officer and other Named Executive Officers with the components and amounts of compensation provided to their counterparts in the Comparator Group and uses this comparison data as a guideline in its review and determination of base salaries, short-term incentives and long-term stock-based compensation awards. In addition, in setting fiscal year 2009 compensation, the Compensation Committee sought and received input from its consultant regarding the base salaries for the Chief Executive Officer and each of his direct reports, the award levels and performance targets relating to the short-term incentive program for executive officers, and the individual stock-based compensation awards for executive officers, as well as the related vesting schedules.

After reviewing the data and considering the input, the Compensation Committee established (and the full Board of Directors was advised of) the base salary, short-term incentive target and long-term stock-based compensation award for each Named Executive Officer. In establishing individual compensation, the Compensation Committee also considered the input of the Chief Executive Officer, as well as the individual experience and performance of the executive.

In determining the compensation of our Chief Executive Officer, our Compensation Committee focused on (i) competitive levels of compensation for chief executive officers who are leading a company of similar size and complexity, (ii) the importance of retaining a chief executive officer with the strategic, financial and leadership skills necessary to ensure our continued growth and success, (iii) the Chief Executive Officer s role relative to other Named Executive Officers and (iv) the considerable length of his 15-year service to the Company. Aon/Radford advised the Compensation Committee that the base salary, annual performance targets and short-term incentive target opportunity, and equity-based compensation for 2009 were competitive for chief executive officers in the sector. The Chief Executive Officer was not present during voting or deliberations of the Compensation Committee concerning his compensation. As stated above, however, the Compensation Committee did consider the recommendations of the Chief Executive Officer regarding the compensation of all of his direct reports, including the other Named Executive Officers.

1 Where sufficient data was not available in the

semiconductor survey data for example, for a VP/General Manager position the Comparator Group data reflected survey data regarding high-technology companies, which included a larger survey sample. Semiconductor companies included in the survey had average annual revenue of approximately $1 billion, whereas the high-technology companies included in the survey were segregated based on the annual revenue of the general manager s business unit.

**Table of Contents**

***What are the Components of Executive Compensation?***

The key elements of compensation for our Named Executive Officers are base salary, short-term incentives, long-term stock-based incentives, 401(k) plan retirement benefits, and medical and insurance benefits. Consistent with our objective of ensuring that executive compensation is perceived as fair to all employees, the Named Executive Officers do not receive any retirement benefits beyond those generally available to our full-time employees, and we do not provide medical or insurance benefits to Named Executive Officers that are different from those offered to other full-time employees.

*Base Salary*

Base salaries provide our executive officers with a degree of financial certainty and stability. The Compensation Committee determines a competitive base salary for each executive officer using the Comparator Group data and input provided by its consultant. Based on these factors, base salaries of the Named Executive Officers for fiscal year 2009 were generally targeted at the Comparator Group median, with consideration given to role, responsibility, performance and length of service. After taking these factors into account, the base salary increase for each Named Executive Officer for fiscal year 2009 was approximately 4%, with the exception of the Chief Financial Officer, who received a 10% increase in order to bring his base salary closer to the median.

*Short-Term Incentives*

Our short-term incentive compensation plan for executive officers is established annually by the Compensation Committee. For fiscal year 2009, the Compensation Committee adopted the 2009 Executive Incentive Plan (the Incentive Plan ). The Incentive Plan established short-term incentive awards that could be earned semi-annually by certain officers of the Company, including the Named Executive Officers, based on the Company s achievement of certain corporate performance metrics established on a semi-annual basis. Short-term incentives are intended to motivate and reward executives by tying a significant portion of their total compensation to the Company s achievement of pre-established performance metrics that are generally short-term (i.e., less than one year). In establishing the short-term incentive plan, the Compensation Committee first determined a competitive short-term incentive target for each Named Executive Officer based on the Comparator Group data, and then set threshold, target and maximum incentive payment levels. At the target payout level, Skyworks short-term incentive was designed to result in an incentive payout equal to the median of the Comparator Group, while a maximum incentive payout for exceeding the performance metrics would result in a payout above the median of the Comparator Group, and a threshold payout for meeting the minimal corporate performance metrics would result in a payout below the median. The following table shows the incentive payment levels the Named Executive Officers could earn in fiscal year 2009 (shown as a percentage of base salary), depending on the Company s achievement of the performance metrics. Actual performance between the threshold and the target metrics or between the target and maximum metrics was determined based on a linear sliding scale.

| | Threshold | Target | Maximum |
|---|---|---|---|
| Chief Executive Officer | 50% | 100% | 200% |
| Other Named Executive Officers | 30% | 60% | 120% |

For fiscal year 2009, in establishing the Incentive Plan, the Compensation Committee considered the fact that for the first half of fiscal 2009 our primary corporate goal was to increase revenue in excess of the market growth rate by gaining market share, while at the same time leveraging our fixed cost structure to generate higher earnings. As in the prior year, for fiscal year 2009, the Compensation Committee split the Incentive Plan into two six month performance periods, with the performance metrics focused on achieving business unit revenue, non-GAAP gross margin and specified non-GAAP operating margin targets, in addition to a cash and customer satisfaction metric. The weighting of the different metrics for the first half of fiscal year 2009 is set forth as follows.

**Table of Contents**

| | Revenue | Non-GAAP Operating Margin % | Non-GAAP Gross Margin | Customer Satisfaction Metric | Cash Metric |
|---|---|---|---|---|---|
| President and Chief Executive Officer; Vice President and Chief Financial Officer | 20% | 40% | 20% | 10% | 10% |
| Vice President, Worldwide Operations | 20% | 20% | 40% | 10% | 10% |
| Executive Vice President and General Manager, Front-End Solutions | 30% (based on business unit revenue) | 20% (based on business unit OM%) | 30% | 10% | 10% |
| Senior Vice President, Sales and Marketing | 30% | 30% (based on business unit OM%) | 20% | 10% | 10% |

For the first half of fiscal 2009, each executive officer s incentive award was consistent with the metrics set forth above, although the Compensation Committee exercised discretion permitted by the plan to make such award payments by waiving the minimum operating income margin metric, given that the Company nearly achieved such objective despite the severe and unanticipated economic downturn that occurred during the first half of fiscal 2009. The Company only made payments for the performance metrics that were achieved, and no payment was made based on the operating income margin metric. Accordingly, the Chief Executive Officer, Vice-President and Chief Financial Officer, Executive Vice President and General Manager, Front-End Solutions, Senior Vice President, Sales and Marketing, and Vice President, Worldwide Operations earned a first half incentive award equal to approximately 14%, 8%, 14%, 26% and 11% of their annual base salary, respectively. In addition, in recognition of their contributions to the Company s performance during the first half of fiscal 2009, the Compensation Committee approved payments to approximately 800 other non-executive employees under non-executive incentive plans containing terms and conditions similar to the Incentive Plan. Consistent with the Incentive Plan (and other employee incentive plans), actual payments for the first six month performance period were capped at 80% of the award earned, with 20% of the award held back until the end of the fiscal year to ensure sustained financial performance. The amount held back was subsequently paid after the end of the fiscal year since the Company sustained its financial performance throughout fiscal year 2009.

For the second half of fiscal year 2009, the Committee again established performance metrics based on achieving specified revenue, non-GAAP gross margin, non-GAAP operating margin targets and a cash and customer satisfaction metric. The weighting of the different metrics for the second half of fiscal year 2009 is set forth as follows.

| | Revenue | Non-GAAP Operating Margin % | Non-GAAP Gross Margin % | Customer Satisfaction Metric | Cash Metric |
|---|---|---|---|---|---|
| President and Chief Executive Officer; Vice President and Chief Financial Officer | 20% | 40% | 20% | 10% | 10% |
| Vice President, Worldwide Operations | 20% | 20% | 40% | 10% | 10% |
| | | | 30% | 10% | 0% |

| | | | | | |
|---|---|---|---|---|---|
| Executive Vice President and General Manager, Front-End Solutions | 10% (based on corporate revenue) 30% (based on business unit revenue) | 20% (based on business unit OM%) | | | |
| Senior Vice President, Sales and Marketing | 30% | 10% (based on corporate OM%) 20% (based on business unit OM%) | 20% | 10% | 10% |

In determining the weightings among the Named Executive Officers, the Compensation Committee s goal was to align the incentive compensation of each Named Executive Officer with the performance metrics such executive could most impact. For instance, the performance metrics for the Chief Executive Officer, Vice-President and Chief Financial Officer and Vice President, Worldwide Operations were designed to focus such executives on improving the Company s competitive position and achieving profitable growth overall. The performance metrics for the Executive Vice President and General Manager, Front-End Solutions were designed to focus such executive on business unit revenue (i.e., the ramping of new products and expansion of the customer base), and the performance metrics for the Senior Vice President, Sales and Marketing were designed to focus such executive on increasing overall corporate revenue while at the same time increasing gross margin.

**Table of Contents**

In the second half of the year, the Company met or exceeded its targets. Accordingly, the Chief Executive Officer, Vice- President and Chief Financial Officer, Executive Vice President and General Manager, Front-End Solutions, Senior Vice President, Sales and Marketing, and Vice President, Worldwide Operations earned a second half incentive award equal to approximately 95%, 57%, 57%, 57% and 57% of their annual base salary, respectively. The Compensation Committee determined to pay, in lieu of cash, unrestricted common stock of the Company for the portion of each of the Named Executive Officer s second half short-term incentive earned above the target level. Accordingly, the Chief Executive Officer, the Vice-President and Chief Financial Officer, the Executive Vice President and General Manager, Front-End Solutions, Senior Vice President, Sales and Marketing, and the Vice President, Worldwide Operations each received approximately 47% of their respective second half incentive payments in the form of unrestricted common stock of the Company. In addition, the 20% holdback of the first half incentive was paid out to each executive officer due to the Company s sustained financial performance.

For the full fiscal year, the total payments under the Incentive Plan to the Chief Executive Officer, Vice-President and Chief Financial Officer, the Executive Vice President and General Manager, Front-End Solutions, the Senior Vice President, Sales and Marketing, and the Vice President, Worldwide Operations were approximately 109%, 65%, 71%, 83% and 68% of their respective annual base salaries.

The target financial performance metrics established by the Compensation Committee under the Incentive Plan are based on our historical operating results and growth rates as well as our expected future results, and are designed to require significant effort and operational success on the part of our executives and the Company. The maximum financial performance metrics established by the Committee have historically been difficult to achieve and are designed to represent outstanding performance that the Committee believes should be rewarded. The Compensation Committee retains the discretion, based on the recommendation of the Chief Executive Officer, to make payments even if the threshold performance metrics are not met or to make payments in excess of the maximum level if the Company s performance exceeds the maximum metrics. The Compensation Committee believes it is appropriate to retain this discretion in order to make short-term incentive awards in extraordinary circumstances, such as existed during the severe and unanticipated economic downturn that occurred during the first half of fiscal 2009.

*Long-Term Stock-Based Compensation*

The Compensation Committee generally makes stock-based compensation awards to executive officers on an annual basis. Stock-based compensation awards are intended to align the interests of our executive officers with stockholders, and reward them for increases in stockholder value over long periods of time (i.e., greater than one year). It is the Company s practice to make stock-based compensation awards to executive officers in November of each year at a pre-scheduled Compensation Committee meeting. For fiscal year 2009, the Compensation Committee made awards to executive officers, including certain Named Executive Officers, on November 4, 2008, at a regularly scheduled Compensation Committee meeting. Stock options awarded to executive officers at the meeting had an exercise price equal to the closing price of the Company s common stock on the meeting date.

In making stock-based compensation awards to certain executive officers for fiscal year 2009, the Compensation Committee first reviewed the Comparator Group data to determine the percentage of the outstanding number of shares that are typically used for employee compensation programs. The Compensation Committee then set the number of Skyworks shares of common stock that would be made available for executive officer awards at approximately the median of the Comparator Group based on the business need, internal and external circumstances and RiskMetrics/ISS guidelines. The Compensation Committee then reviewed the Comparator Group by executive position to determine the allocation of the available shares among the executive officers. The Compensation Committee then attributed a long-term equity-based compensation value to each executive officer. One-half of that value was converted to a number of stock options using an estimated Black-Scholes value, and the remaining half of the value was converted to a number of performance share awards (at target) based on the fair market value of the common stock. The Compensation Committee s rationale for awarding performance shares is to further align the executive s interest with those of the Company s stockholders by using equity-awards that will vest only if the Company achieves a pre-established performance metric(s).

In addition, given the significant changes in the economic environment and the financial markets in the first half of fiscal 2009, and that certain previously granted performance share awards were not exempt from the deduction limitations under Section 162(m), on June 4, 2009, the Company gave each of its executive officers, including the Named Executive Officers, the opportunity to forfeit an outstanding Performance Share Award dated November 6, 2007, such executive had previously been granted (the 2007 PSA ) and receive, in its place, the following equity awards:

(1) a restricted stock award (the 2009 Replacement RSA ) covering shares equal to the Threshold/Nominal tranche of

9

shares of the Company s common stock that could be earned under the executive s 2007 PSA, which shares will vest on November 6, 2010, provided that the executive continues employment with the Company through such date, and (2) a Section 162(m) compliant performance share award (the 2009 Replacement PSA , and together with the 2009 Replacement RSA, the 2009 Replacement Awards ) pursuant to which the executive will receive a number of shares of the Company s common stock equal to the aggregate amount of the Target and Maximum/Stretch tranches of shares of the Company s common stock that could be earned under the 2007 PSA, if certain conditions are satisfied. The conditions that must be satisfied are as follows:

(a) Relative Stock Price Performance Condition

The Target relative stock price condition, which covers 50% of the underlying shares, shall be deemed met on November 6, 2010, if the percentage change in the price of Skyworks common stock exceeds the 60th percentile of the Peer Group[1] during the Measurement Period. The Stretch relative stock price condition, which covers 50% of the underlying shares, shall be deemed met on November 6, 2010, if the percentage change in the price of Skyworks common stock exceeds the 70th percentile of the Peer Group during the Measurement Period. For purposes of the 2009 Replacement PSA, the Measurement Period was deemed to have started on November 6, 2007, and will end on November 6, 2010.

(b) Continued Employment Condition

If the Relative Stock Price Performance Condition is met for either the Target or Stretch tranche (or both), then 50% of the total shares for which the relative stock price performance metric was met would be issuable to the executive on November 6, 2010, and the other 50% of such total shares would be issuable to the executive on November 6, 2011, provided that the executive is employed with Skyworks through such date(s).

Each of the Named Executive Officers accepted the Company s offer and agreed to have his 2007 PSA cancelled and replaced with the 2009 Replacement Awards. The maximum number of shares issued under the 2009 Replacement Awards for each Named Executive Officer on June 10, 2009, is equal to the maximum number of shares that would have been issuable to such executive under his cancelled 2007 PSA.

*Other Compensation and Benefits*

We also provide other benefits to our executive officers that are intended to be part of a competitive overall compensation program and are not tied to any company performance criteria. Consistent with the Compensation Committee s goal of ensuring that executive compensation is perceived as fair to all stakeholders, the Company offers medical plans, dental plans, vision plans, life insurance plans and disability insurance plans to executive officers under the same terms as such benefits are offered to all other employees. Additionally, executive officers are permitted to participate in the Company s 401(k) Savings and Investment Plan and Employee Stock Purchase Plan under the same terms as all other employees. The Company does not provide executive officers with any enhanced retirement benefits (i.e., executive officers are subject to the same limits on contributions as other employees, as the Company does not offer any SERP or other similar non-qualified deferred compensation plan), and they are eligible for 401(k) company-match contributions under the same terms as other employees.

Although certain Named Executive Officers were historically provided an opportunity to participate in the Company s Executive Compensation Plan (the Executive Compensation Plan ) an unfunded, non-qualified deferred compensation plan, under which participants were allowed to defer a portion of their compensation as a result of deferred compensation legislation under Section 409A of the Internal Revenue Code ( IRC ), effective December 31, 2005, the Company no longer permits employees to make contributions to the plan. Although the Company had discretion to make additional contributions to the accounts of participants while the Executive Compensation Plan was active, it never did so.

*Severance and Change of Control Benefits*

None of our executive officers, including the Named Executive Officers, has an employment agreement that provides a specific term of employment with the Company. Accordingly, the employment of any such employee may be terminated at any time. We do provide certain benefits to our Named Executive Officers upon certain qualifying terminations and in connection with terminations under certain circumstances following a change of control. A description of the material terms

[1] For purposes of the 2009 Replacement PSAs, Maxim Integrated Products was included in the Peer Group.

of our severance and change of control arrangements with the Named Executive Officers can be found under the Potential Payments Upon Termination or Change of Control section below.

The Company believes that severance protections can play a valuable role in recruiting and retaining superior talent. Severance and other termination benefits are an effective way to offer executives financial security to incent them to forego an opportunity with another company. These agreements also protect the Company as the Named Executive Officers are bound by restrictive non-compete and non-solicit covenants for two years after termination of employment. Outside of the change in control context, severance benefits are payable to the Named Executive Officers if their employment is involuntarily terminated by the Company without cause, or if a Named Executive Officer terminates his own employment for a good reason (as defined in the agreement). In addition, provided he forfeits certain equity awards and agrees to serve on the Company s Board of Directors for a minimum of two years, the Chief Executive Officer is entitled to certain severance benefits upon termination of his employment for any reason on or after January 1, 2010. The Compensation Committee believes that this provision facilitates his retention with the Company. The level of each Named Executive Officer s severance or other termination benefit is generally tied to his respective annual base salary and targeted short-term incentive opportunity (or past short-term incentive earned).

Additionally, the Named Executive Officers would receive enhanced severance and other benefits if their employment terminated under certain circumstances in connection with a change in control of the Company. These benefits are described in detail under the Potential Payments Upon Termination or Change of Control section below. The Named Executive Officers are also entitled to receive a tax gross-up payment (with a $500,000 cap for Named Executive Officers other than the Chief Executive Officer) if they become subject to the 20% golden parachute excise tax imposed by Section 280G of the IRC, as the Company believes that the executives should be able to receive their contractual rights to severance without being subject to punitive excise taxes. The Company further believes these enhanced severance benefits are appropriate because the occurrence, or potential occurrence, of a change in control transaction would likely create uncertainty regarding the continued employment of each Named Executive Officer, and these enhanced severance protections encourage the Named Executive Officers to remain employed with the Company through the change in control process and to focus on enhancing stockholder value both before and during the change in control process.

Lastly, each Named Executive Officer s outstanding unvested stock options and restricted stock awards fully vest upon the occurrence of a change in control. In addition, each outstanding performance share award shall be deemed earned as to the greater of (a) the target level or (b) the number of shares that would have been deemed earned under the award as of the day prior to the change in control. The Company believes this accelerated vesting is appropriate given the importance of long-term equity awards in our executive compensation program and the uncertainty regarding the continued employment of Named Executive Officers that typically occurs in a change in control context. The Company s view is that this vesting protection helps assure the Named Executive Officers that they will not lose the expected value of their equity awards because of a change in control of the Company and encourages the Named Executive Officers to remain employed with the Company through the change in control process and to focus on enhancing stockholder value both before and during the process.

Table of Contents

***Compensation Tables for Named Executive Officers***

*Summary Compensation Table*

The following table summarizes compensation earned by, or awarded or paid to, our Named Executive Officers for fiscal year 2009, fiscal year 2008 and fiscal year 2007.

| Name and Principal Position | Year | Salary ($) | Stock Awards ($)(2) | Option Awards ($)(2) | Non-Equity Incentive Plan Compensation ($)(3) | All Other Compensation ($)(4) | Total ($) |
|---|---|---|---|---|---|---|---|
| David J. Aldrich | 2009 | $ 598,077 | $ 2,207,652 | $ 932,825 | $ 653,750 | $ 12,879 | $ 4,405,183 |
| President and Chief | 2008 | $ 583,404 | $ 1,936,986 | $ 933,064 | $ 1,048,220 | $ 12,191 | $ 4,513,865 |
| Executive Officer | 2007 | $ 552,000 | $ 837,318 | 719,233 | 691,276 | $ 11,838 | 2,811,665 |
| Donald W. Palette | 2009 | $ 327,692 | $ 346,441 | $ 268,214 | $ 215,738 | $ 11,471 | $ 1,169,556 |
| Vice President and Chief | 2008 | $ 305,769 | $ 195,917 | $ 195,653 | $ 328,138 | $ 12,199 | $ 1,037,676 |
| Financial Officer | 2007(1) | $ 34,615 | $ 5,005 | $ 18,507 | $ 56,354 | $ 340 | $ 114,821 |
| Gregory L. Waters | 2009 | $ 378,846 | $ 464,160 | $ 278,907 | $ 270,085 | $ 10,025 | $ 1,402,023 |
| Executive Vice President and | 2008 | $ 370,635 | $ 393,257 | $ 270,445 | $ 397,347 | $ 9,464 | $ 1,441,148 |
| General Manager, Front-End Solutions | 2007 | $ 353,000 | $ 240,198 | $ 325,824 | $ 252,715 | $ 9,810 | $ 1,181,547 |
| Liam K. Griffin | 2009 | $ 352,923 | $ 696,259 | $ 258,069 | $ 295,148 | $ 44,888 | $ 1,647,287 |
| Senior Vice President, Sales | 2008 | $ 344,000 | $ 568,901 | $ 249,207 | $ 365,526 | $ 82,132 | $ 1,609,766 |
| and Marketing | 2007 | $ 318,000 | $ 201,410 | $ 189,483 | $ 256,603 | $ 136,062 | $ 1,101,558 |
| Bruce J. Freyman | 2009 | $ 350,923 | $ 453,887 | $ 308,879 | $ 240,680 | $ 11,772 | $ 1,366,141 |
| Vice President, Worldwide | 2008 | $ 343,000 | $ 344,246 | $ 313,207 | $ 335,879 | $ 11,218 | $ 1,347,550 |
| Operations | 2007 | $ 325,000 | $ 121,820 | $ 258,473 | $ 262,252 | $ 10,189 | $ 977,734 |

(1) Mr. Palette was hired as Vice-President and Chief Financial Officer effective August 20, 2007, at an annual salary of $300,000. In addition, he was guaranteed a short-term incentive payment for fiscal year 2007 equal to 25% of the incentive payout he would have received under the 2007 Incentive Plan had

he been employed for the entire fiscal year.

(2) The aggregate dollar amount of the expense recognized in fiscal years 2009, 2008 and 2007 for outstanding stock and options was determined in accordance with the provisions of ASC 718-*Compensation-Stock Compensation* ( ASC 718 ), but without regard to any estimated forfeitures related to service-based vesting provisions. For a description of the assumptions used in calculating the fair value of equity awards under ASC 718, see Note 11 of the Company s financial statements included in the Original Filing. The reported expense also reflects incremental expenses relating to the 2009 Replacement Awards as follows: Mr. Aldrich ($117,470), Mr. Palette ($13,705), Mr. Waters ($15,663), Mr. Griffin ($39,157) and Mr. Freyman ($19,578).

(3)

Reflects amounts paid to the Named Executive Officers pursuant to the Incentive Plan. For the second half of fiscal years 2008 and 2009, the portion of the Incentive Plan attributable to Company performance above the target performance metric was paid in the form of unrestricted common stock of the Company as follows:
Mr. Aldrich (2008: $248,508; 2009: $270,000),
Mr. Palette (2008: $77,794; 2009: $89,100),
Mr. Waters (2008: $80,866; 2009: $102,600),
Mr. Griffin (2008: $87,342; 2009: $95,580) and
Mr. Freyman (2008: $64,839; 2009: $95,040). The number of shares awarded in lieu of cash was based on the fair market value of the common stock on November 4, 2008, and November 10, 2009, the dates the second half Incentive Plan payment for each fiscal year was approved by the Compensation Committee. For

fiscal year 2007, all short-term incentive payments were made in cash.

(4) All Other Compensation includes the Company s contributions to each Named Executive Officer s 401(k) plan account and the cost of group term life insurance premiums. Mr. Griffin s amount includes subsidized mortgage and miscellaneous relocation expenses of $72,381, $124,741 and $34,548 for fiscal years 2007, 2008, and 2009, respectively.

**Table of Contents**

*Grants of Plan-Based Awards Table*

The following table summarizes all grants of plan-based awards made to the Named Executive Officers in fiscal year 2009, including incentive awards payable under our Fiscal Year 2009 Executive Incentive Plan.

| | | Possible Payouts Under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards(2) | | | All Other Stock Awards: Number of Shares of Stock or Units | All Other Option Awards: Number of Securities Underlying Options | Exercise or Base Price of Option Awards | Grant Date Fair Value of Stock and Option Awards (5) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Grant Date** | **Threshold ($)** | **Target ($)** | **Maximum ($)** | **Threshold (#)** | **Target (#)** | **Maximum (#)** | **(#)** | **(#)(3)** | **($/Sh) (4)** | |
| David J. Aldrich President and Chief Executive Officer | 11/4/2008 | $300,000 | $600,000 | $1,200,000 | 75,000 | 150,000 | 300,000 | n/a | 300,000 | $7.18 | $3,505,921 |
| Donald W. Palette Vice President and Chief Financial Officer | 11/4/2008 | $ 99,000 | $198,000 | $ 396,000 | 23,500 | 47,000 | 94,000 | n/a | 90,000 | $7.18 | $1,085,656 |
| Gregory L. Waters | 11/4/2008 | $114,000 | $228,000 | $ 456,000 | | | | | | | |