

SEMTECH CORP  
Form DEF 14A  
May 11, 2005

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**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 Rule 14a-12

**Semtech Corporation**

(Name of Registrant as Specified in its Charter)

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(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)(4) and 0-11.

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

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2) Aggregate number 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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4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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**Semtech Corporation**

**200 Flynn Road**

**Camarillo, California 93012-8790**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To Be Held June 16, 2005

To our Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of Semtech Corporation will be held at the Hyatt Westlake Plaza, 880 S. Westlake Boulevard, Westlake Village, California 91361 (Westlake Village Boulevard exit off the 101 Freeway) on Thursday, June 16, 2005 at 1:00 p.m., Pacific Daylight Savings time, for the following purposes:

1. To elect eight Directors to hold office until the next annual meeting or until their successors are duly elected and qualified.
2. To ratify and approve the appointment of Ernst & Young LLP as the independent registered public accountant for the Company.
3. To transact any other business which may properly come before the Meeting or any adjournment or postponements thereof.

The record date for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting was the close of business on April 22, 2005. Holders of a majority of the outstanding stock must be present in person or by proxy in order for the meeting to be held.

**IT IS IMPORTANT THAT YOUR STOCK BE REPRESENTED AT THE MEETING. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY WHICH MAY BE REVOKED AT ANY TIME PRIOR TO ITS USE.** A return envelope is enclosed for your convenience.

This Proxy Statement, proxy and the Company's Annual Report to Stockholders are being mailed on or about May 13, 2005.

By Order of the Board of Directors

**Suzanna Fabos**

Secretary

May 10, 2005

Camarillo, California

**SEMTECH CORPORATION**

**ANNUAL MEETING OF STOCKHOLDERS**

**June 16, 2005**

**PROXY STATEMENT**

The Board of Directors ( Board ) of Semtech Corporation (the Company ), 200 Flynn Road, Camarillo, California, 93012-8790, furnishes this Proxy Statement in connection with its solicitation of proxies to be voted at the Annual Meeting of Stockholders to be held at the Hyatt Westlake Plaza, 880 S. Westlake Boulevard, Westlake Village, California 91361 (101 Freeway, exit Westlake Boulevard) on Thursday, June 16, 2005 at 1:00 p.m., Pacific Daylight Savings Time, or at any adjournments or postponements thereof. The Company is paying the cost of this solicitation of proxies. The mailing of proxy materials will commence on or about May 13, 2005.

Here is some important information regarding the Annual Meeting and this Proxy Statement:

**What am I voting on?**

- (1) To elect eight directors to hold office until the next Annual Meeting or until their successors are duly elected and qualified. The nominees are:

Mr. John D. Poe	Mr. Jason L. Carlson
Mr. Rockell N. Hankin	Mr. James T. Lindstrom
Mr. Glen M. Antle	Gen. John L. Piotrowski USAF (Ret.)
Mr. James P. Burra	Mr. James T. Schraith

- (2) To ratify the appointment of Ernst & Young LLP as the independent registered public accountant for the Company.

**Who is entitled to vote?**

Stockholders as of the close of business on April 22, 2005 (the Record Date ) are entitled to vote and are entitled to attend the Annual Meeting. Each stockholder is entitled to one vote for each share of common stock held on the Record Date. Stockholders do not have the right to cumulate votes.

**How do I vote?**

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Indicate your voting preferences on the proxy, sign and date it, and return it in the prepaid envelope. If you return your signed proxy but do not indicate your voting preferences, we will vote FOR the two proposals on your behalf. You have the right to revoke your proxy any time before the meeting by (1) notifying the Company's Secretary, or (2) returning a later-dated proxy. You may also revoke your proxy by voting in person at the meeting.

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

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

### **Who will count the vote?**

Mellon Investor Services will tabulate the votes and act as inspector of election.

### **What constitutes a quorum?**

A majority of the outstanding shares present or represented by proxy constitutes a quorum for the Annual Meeting. As of the Record Date, 73,844,281 shares of Semtech Corporation common stock were issued and outstanding. Proxies submitted by brokers that do not indicate a vote for some of the proposals because the holders do not have discretionary voting authority and have not received instructions from the beneficial owners on how to vote on those proposals are called broker non-votes. Abstentions and broker non-votes are each included in the determination of shares present and voting, with each tabulated separately. Abstentions are counted in tabulations of votes cast on proposals presented to the stockholders, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

**How many votes are needed for approval of each item?**

Directors will be elected by a plurality of the votes cast in person or by proxy at the Annual Meeting, meaning the eight nominees receiving the most votes will be elected directors. A stockholder may not cumulate his or her votes for individual directors. The selection of our independent registered public accountant will be ratified if a majority of the votes present in person or by proxy are voted in favor of the proposal.

**What percentages of stock do the directors and officers own?**

Together, they own approximately 8.8% of Semtech common stock as of April 8, 2005. See the section titled **Beneficial Ownership of Securities**.

**Who are the largest principal shareholders?**

The chart in the section titled **Beneficial Ownership of Securities** sets forth each owner of greater than 5% of the Company's common stock.

**How do I receive additional copies of these proxy materials or obtain a copy of the Company's Bylaws?**

Any stockholder desiring additional proxy materials or a copy of the Company's Bylaws should contact Suzanna Fabos, Secretary, Semtech Corporation at (805) 498-2111 or 200 Flynn Road, Camarillo, California 93012-8790.

**What are the Board's recommendations?**

The Board recommends a vote:

*for* the election of each of the nominated directors; and,

*for* ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountant for fiscal year 2006.

General information about us can be found on our website at [www.semtech.com](http://www.semtech.com). The information on our website is for information only and should not be relied on for investment purposes. The information on our website is not incorporated by reference into this Proxy Statement and should not be considered part of this or any other report filed with the Securities and Exchange Commission (SEC).



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We make available free of charge, either by direct access on our website or a link to the SEC website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. Our reports filed with, or furnished to, the SEC are also available directly at the SEC's website at [www.sec.gov](http://www.sec.gov).

We undertake to provide upon written request and without charge a copy of the Company's annual report on Form 10-K for the fiscal year ended January 30, 2005, including financial statements and financial statement schedules, to any person whose proxy is solicited by this statement. Written requests should be directed to Suzanna Fabos, Secretary, 200 Flynn Road, Camarillo, California 93012-8790.

*The information under the captions Report of the Compensation Committee, Report of the Audit Committee, and Performance Graph and in Appendix B is not soliciting material, is not deemed filed with the SEC, and is not incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.*

**ELECTION OF DIRECTORS**

**(Proposal Number 1)**

Eight directors are to be elected at the Meeting, each to serve until the following annual meeting or until a successor is elected and qualified. All of the nominees were elected to their present terms of office by the stockholders, have consented to be named, and have indicated their intent to serve if elected. Unless a proxy directs otherwise, it is intended that the proxies solicited by management will be voted for the election of the nominees listed in the following table. If any nominee should refuse or be unable to serve, the proxyholders will vote the shares for such other person, if any, as shall be designated by the Board of Directors.

**THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW**

**NOMINEES FOR DIRECTORS**

**Name, Age as of June 16, 2005, and Positions**

**Principal Occupation, Business Experience, and Directorships**

**John D. Poe**

Age 53

Director since 1985

*Chairman of the Board*

Chairman of the Board of Directors of the Company since March 1998, Chief Executive Officer of the Company from October 1985 to October 2003. Served as President of the Company from October 1985 until November 2002. Owner of Kirschbaum LLC, a private farming company.

**Rockell N. Hankin**

Age 58

Director since 1988

*Vice Chairman of the Board*

*Audit Committee Chair*

Vice Chairman of the Board of Directors since March 1998. Principal, Hankin & Co., a diversified business advisory firm, since June 1986. Director of Sparta, Inc. and a number of private companies. Previously Chairman of the Board of House of Fabrics and a Director of Quidel, Inc., Nichols Institute, DDL Electronics, NQLI, and a number of private companies.

**Glen M. Antle**

Age 66

Director since 2002

*Compensation Committee*

*Nominating Committee Chair*

Chairman of the Board of Directors of Quickturn Design Systems, Inc., an electronic design automation company, from June 1993 to June 1999. Co-founded ECAD, Inc., now Cadence Design Systems, Inc., and served as Chairman of the Board of Directors 1982-1989. Director of Trident Microsystems, Inc., a company that designs, develops and markets integrated circuits. Director of several private electronics companies.

**James P. Burra**

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Age 62

Director since 1991

*Audit Committee*

Chief Executive Officer of the Endural Division of Hoover Materials Handling Group, Inc. and its predecessor W. D. Adam Co., Inc., a manufacturer of a proprietary line of vacuum formed, high density polyethylene containers, since June 1989. Director of Hoover Group, Inc., the parent of Endural. Director of Earl Scheib, Inc., an operator of retail automobile paint and body shops. Chairman of Phi Delta Theta Educational Foundation. Former Director of American Microwave Technology, Inc.

**Jason L. Carlson**

Age 43

Director since 2003

Joined Semtech in November 2002 as President and Chief Operating Officer; elected Chief Executive Officer in October 2003. Employed by Cirrus Logic, Inc. as Vice President & General Manager for the Crystal Product Division (2001-2002) and the Consumer Products & Data Acquisition Division (1999-2001). Formerly President and Chief Operating Officer of Audiologic, Inc. and co-founder of Resound Corporation. Sole Director of our wholly-owned subsidiaries Semtech Limited, Semtech Corpus Christi Corporation, Semtech New York Corporation and Semtech San Diego Corporation. President of Semtech Corpus Christi Corporation and Semtech New York Corporation.

**James T. Lindstrom**

Age 59

Director since 2002

*Audit Committee*

*Nominating Committee*

From August 2002 through August 2004, Chief Financial Officer of AmmoCore Technology, Inc., a provider of design implementation solutions for the rapid delivery of complex deep sub-micron system ICs. From May 2001 to August 2002, Vice President, Finance and Administration and Chief Financial Officer of Silicon Perspective Corp., which merged with Cadence Design Systems, one of the largest suppliers of electronic design technologies methodology services and design services. From October 1999 to May 2001, Vice President, Chief Operating Officer of Lexra, Inc., a supplier of microprocessor cores designed for the embedded system-on-a-chip market. Director of Lexra, Inc. since 1999. More than 25 years of financial management experience in the EDA and fabless semiconductor industry.

**John L. Piotrowski USAF (Ret.)**

Age 71

Director since 2002

*Compensation Committee*

*Nominating Committee*

Consultant on National Security Programs to aerospace corporations, Senior Advisor to aerospace corporations, the Air Force Research Lab, Joint National Integration Facility (JNIC), the Ground Based Midcourse Ballistic Missile Defense Program Manager, and Missile Defense Agency. Vice President of Science Applications International Corporation (SAIC) from 1995 through January 2000, then consulting employee of SAIC until retirement in February 2004. Member of the Defense Science Board 1992 to 1995. Previously served as a consultant and advisor for Lawrence Livermore National Lab and Los Alamos National Lab. Retired from the USAF in 1990. While with the USAF, served as Commander-in-Chief (CINC) North American Aerospace Defense (NORAD) Command reporting to the President and Canadian Prime Minister (1987-1990). During the same period served as CINC US Space Command. Also served as Vice Chief of Staff United States Air Force (1985-1987). Director of Sparta, Inc. and the Space Foundation.

**James T. Schraith**

Age 47

Director since 1995

*Compensation Committee Chair*

Private investor and consultant to technology companies since 2002. From 2000 to 2001, Chairman and CEO of Snap Appliances, Inc., a wholly-owned subsidiary of Quantum Corporation. Executive Vice President of Worldwide Sales & Corporate Marketing at Quantum Corporation from 1999 to 2000. President and CEO of ShareWave, Inc., a developer of wireless networking products from February 1998 to September 1999. Vice President and General Manager of the North America division of Compaq Computer from 1996 to 1998. Employed by AST Research, Inc. from 1987 to 1995, most recently as President and COO. Director of eCullet, Inc., JiWire, Inc., Sierra Logic, Inc., Scope iT and VisualCalc, Inc. Former director of SONICblue, PurchasePro, Diamond Multimedia and several other public and private technology companies.

## INFORMATION ABOUT THE BOARD OF DIRECTORS

### Independence

The Board is comprised of a majority of independent Directors. The Board has determined that Directors Antle, Burra, Hankin, Lindstrom, Piotrowski and Schraith are independent under the Marketplace Rules of The NASDAQ Stock Market, Inc. ( NASDAQ ), as well as in the assessment of the Board. Directors Poe and Carlson are or were recently employed by the Company and thus do not meet the independence standards.

### Code of Conduct

The Board has adopted a written Code of Conduct that applies to the Directors and everyone in the Company, including the Chief Executive Officer and Chief Financial Officer. The Code of Conduct is the Company's written code of ethics under NASDAQ and SEC rules and was filed with the SEC as Exhibit 14 to the Company's Form 10-K for fiscal year 2004.

### Time Commitment Guidelines

Directors are expected to devote sufficient time to the Board and its committees to carry out their duties and responsibilities effectively. It is expected that each Director will be available to attend all meetings of the Board and any committees on which the Director serves, as well as the Company's annual meeting of shareholders.

The Board believes that service on the boards of other companies, and of civic and charitable organizations, enhances the experience and perspective of Directors. However, Directors are encouraged to limit the number of other boards on which they serve, in order to avoid the possibility of time or business conflicts and to maximize their participation and effectiveness on the Board.

Directors are expected to advise the Company in advance of accepting an invitation to serve on the board of another public company or any assignment to the audit committee or compensation committee of the board of any public company.

To ensure that all members of the Board have sufficient time to devote proper attention to their responsibilities to the Company, Directors are subject to the following limitations unless the Board determines that simultaneous service on additional boards would not impair the Director's ability to serve effectively on the Company's Board:

Directors who are executive officers of the Company may serve on the boards of no more than two other public or private companies with the approval of the Board

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Directors who are chief executive officers or senior executives of public corporations or large non-profit entities may serve on the Boards of no more than three other public companies

All other Directors may serve on the boards of no more than four other public companies

The Nominating Committee will take into account the nature and time involved in serving on other boards when assessing director candidates.

### **Meetings**

During the Company's last fiscal year, the Board of Directors held five regularly scheduled meetings and two special meetings. During such fiscal year, each of the incumbent Directors, except Director Piotrowski, attended 75% or more of the sum of the number of such meetings plus the number of meetings of the committees of which such person was a member. Director Piotrowski attended 69% of Board and applicable committee meetings. He attended 100% of the regularly scheduled Board and committee meetings. The average attendance by directors was 90%. During fiscal year 2005, the Board of Directors also conducted some business by resolution without meeting, as provided in the Company's Bylaws. The Board is scheduled to meet on a regular basis during the ensuing year and the independent directors are scheduled to meet quarterly in executive sessions to be held following regularly scheduled Board meetings.

### **Attendance at Annual Meeting**

All of the nominees for Director at the Annual Meeting of Stockholders held in June 2004 attended the meeting. The following policy has been adopted by the Board: The Company considers attendance at the Annual Meeting of Stockholders to be a fundamental duty of each Board member, as it provides an opportunity for shareholders to communicate directly with the Directors about issues affecting the Company. Therefore, it is the Company's policy that Board members attend the Annual Meeting of Stockholders unless health, family or other important personal matters prohibit such attendance.

## Committees

The Board has a standing Compensation Committee, a standing Audit Committee, and a standing Nominating Committee. The Nominating Committee was changed from an *ad hoc* committee to a standing committee in August 2004.

### Compensation Committee

The Compensation Committee, which met six times during fiscal year 2005, is comprised of Directors Antle, Piotrowski and Schraith. Director Schraith serves as chairman. The Board has determined that each member of the Compensation Committee is independent as defined by NASDAQ rules. The Compensation Committee determines the compensation of the Chief Executive Officer and all other executive officers, in accordance with NASDAQ rules. The Compensation Committee's responsibilities are set forth in its charter, which has been established by the Board of Directors. A copy of the Compensation Committee's charter is attached as Appendix A to this Proxy Statement.

Until committee responsibilities were realigned in the first quarter of fiscal year 2005, the Compensation Committee was also responsible for reviewing the qualifications of potential director candidates and performing related duties. These functions are now carried out by the Nominating Committee, as discussed below.

### Audit Committee

The Audit Committee is comprised of Directors Hankin, Burra, and Lindstrom, with Director Hankin serving as chairman. The Board has determined that each member of the Audit Committee is independent as defined by NASDAQ and SEC rules. The Board has also determined that Directors Hankin, Burra, and Lindstrom are financially sophisticated as defined by NASDAQ rules and audit committee financial experts as defined by SEC rules.

The Audit Committee met eight times during fiscal year 2005. The Audit Committee's responsibilities include appointing and overseeing the engagement of the Company's independent registered public accounting firm; reviewing the scope and results of the audit conducted by the independent accountant; reviewing the Company's significant accounting policies; reviewing the independent accountant's assessment of the adequacy of the Company's internal controls; and reviewing and approving the financial statements to be included in the Company's Annual Report on Form 10-K. The Audit Committee meets periodically with the Company's independent accountant without the presence of Company management. The Audit Committee has also been designated by the Board to serve as the Qualified Legal Compliance Committee, within the meaning of Section 205 of the SEC's Standards of Professional Conduct for Attorneys. The current responsibilities of the Audit Committee are more fully described in its written charter, which was last revised by the Board in February 2005. The revised charter is included as Appendix B to this Proxy Statement. The Committee has also adopted a policy regarding pre-approval of services to be provided by the Company's independent public accountant, which is described under the heading "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services" on page 21, and procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, which are described under the heading "Contacting the Board of Directors" on page 9.

### Nominating Committee

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During the first quarter of fiscal year 2005, the Board realigned committee responsibilities and assigned nominating functions to an *ad hoc* Nominating Committee rather than to the Compensation Committee. The Board reassessed this matter in the third quarter of fiscal year 2005, determined that the Nominating Committee should be a standing committee, and adopted the Nominating Committee charter attached as Appendix C to this Proxy Statement. The Nominating Committee is comprised of Director Antle, who serves as chair, and Directors Lindstrom and Piotrowski. The first meeting of the Nominating Committee took place early in fiscal year 2006.

### **Board of Directors Compensation**

Directors who are Company employees are not paid fees or additional compensation for attending Board or committee meetings. Chief Executive Officer Jason Carlson is currently the only employee on the Board. Set forth below is a summary of the current compensation arrangements for non-employee members of the Board ( Outside Directors ). These arrangements were in place throughout fiscal year 2005.

#### Stock Options in Lieu of Cash Retainer and Meeting Fees

In continuation of a policy established in 1998, the compensation program for our Outside Directors is equity based. The program we use was developed by an independent consulting firm and was established to align the interests of the Board with those of stockholders, to reduce the expense associated with director compensation and to attract and retain high quality directors.

On December 5, 2002, a stock option grant was made to each then Outside Director in lieu of a cash retainer and meeting fees for the period July 15, 2003 through July 15, 2008. The number of options was computed by multiplying the forgone cash compensation over the five-year period of service by four (multiplier), and then dividing that amount by the Company's stock



price on the date of grant, to compute the number of options to be granted. The multiplier was set to recognize the relative risk of taking stock options, compared to cash compensation. The annual cash compensation foregone was set at \$30,000 for Vice Chairman Hankin and at \$20,000 for each other Outside Director. Using this formula, Vice Chairman Hankin was granted 46,047 stock options and Directors Antle, Burra, Lindstrom, Piotrowski and Schraith were each granted 30,698 stock options.

The vesting period for these options began on July 15, 2003. Twenty percent of the options vest each year, but the annual vesting will not occur, and that portion of the award will be forfeited, if a Director does not attend three of the four most recent regularly scheduled meetings for that year, with certain exceptions. These options are governed by the terms of the Company's Long Term Stock Incentive Plan ( Plan ) approved by the stockholders in June 1998 and on file with the SEC. Upon a change in control, as defined in the Plan, these options become fully vested and the Directors will have the right to exercise them immediately.

Director Poe's status changed to that of an Outside Director in October 2003. In lieu of cash retainers and meeting fees for the period from October 6, 2003 through July 15, 2008, Director Poe was granted an option for 45,960 shares of the Company's stock, based on the same formula used for the December 2002 grants to other Outside Directors, taking into account the period of service is less than five years. Taking into consideration the leadership role of the Chairman, the annual cash compensation foregone was set at \$50,000. These options are subject to the same 20% vesting schedule and other terms and conditions as the options granted to the other Outside Directors for service through July 15, 2008.

#### Semi-annual Stock Option Grants

Each January 1 and July 1, each Outside Director also receives a stock option to purchase 5,000 shares of the Company's common stock at the market price as of the date of grant. These options vest in four equal annual installments beginning on the first anniversary of the grant and are governed by the terms of the Plan. Upon a change in control, as defined in the Plan, these options become fully vested and the Directors will have the right to exercise them immediately.

#### Insurance

Outside Directors are covered by a travel accident policy maintained by the Company for officers and employees.

#### Reimbursement of Expenses

Outside Directors are reimbursed for expenses related to Board membership.

#### Arrangements with Chairman Poe

In addition to the compensation provided to Outside Directors generally, the following arrangements were made with Mr. Poe upon his termination of employment and change to Outside Director status in October 2003:

He is entitled to continue participation in Company-sponsored medical and dental plans on an individual or family basis, as he elects, until he reaches the age of sixty-five. The Company is not obligated to provide any insurance not available to Company employees generally and the allocation of premiums between the Company and Mr. Poe is calculated in the same manner as for Company employees generally. Mr. Poe pays his allocated portion of the premiums on an annual basis.

Should Mr. Poe leave the Board in good standing prior to the final vesting date for employee stock options awarded him prior to October 6, 2003, and if he so requests, the Company will employ him on a part time basis from the date he ceases to be a Director until September 21, 2007 on such terms and conditions as the Compensation Committee may then establish.

The Company continues to provide to Mr. Poe, without charge, a computer, cell phone and similar items for use on Company business. As with cell phones provided to employees, the Company permits personal use of the phone without reimbursement. The cost to the Company, if any, is negligible.

The Company also continues to pay premiums of about \$229 per month for supplemental life insurance benefits for Mr. Poe.

#### New Directors

Any new Outside Director who joins the Board will receive an initial grant of an option to purchase 10,000 shares of the Company's common stock, on such terms and conditions as may be specified at the time of the grant.

#### **Indemnification**

The Company indemnifies all Directors with respect to their service on the Board so that they will be free to carry out their responsibilities without undue concern about personal liability. Indemnification of Directors is required under the Company's Bylaws and the Company has signed agreements with each Director contractually obligating it to provide this indemnification.

#### **Director Orientation and Continuing Education**

Each Director is expected to take steps reasonably necessary to enable the Director to function effectively on the Board and Committees on which the Director serves, including becoming and remaining well informed about the Company, the industry, and business and economic trends affecting the Company. Each Director is also expected to take steps reasonably necessary to keep informed on principles and practices of sound corporate governance.

In addition to presentations by Company executives regarding their various business units and functional areas, the Company periodically allocates Board meeting time to receive updates on corporate governance issues, including legal and regulatory changes and best practices. Each Director is highly encouraged to participate annually, at the Company's expense, in an accredited director education program and the Company provides each Director with membership in the National Association of Corporate Directors.

When new Directors join the Board, an orientation program will be provided to enable them to gain an understanding of the operations, management, and finances of the Company and will also address Director responsibilities and the Company's corporate governance procedures and practices.

### **Compensation Committee Interlocks and Insider Participation**

Directors Antle, Piotrowski and Schraith currently comprise the Compensation Committee. No member of the Compensation Committee was, during fiscal year 2005, an officer or employee of the Company or any of its subsidiaries; or was formerly an officer of the Company or any of its subsidiaries. During fiscal year 2005, no executive officer of the Company served as an executive officer, director or member of the compensation committee (or other board committee performing equivalent functions, or in the absence of such committee, the entire board of directors) of another entity, one of whose executive officers served as a member of the Compensation Committee or as a director of the Company.

## **CONTACTING THE BOARD OF DIRECTORS**

### **Nomination of Candidates for the Board of Directors**

The Nominating Committee will consider recommendations for director nominations submitted by stockholders entitled to vote generally in the election of directors. Submissions for the 2006 Annual Meeting must be received no later than January 10, 2006; must otherwise be made in accordance with the procedures set forth in Section D of Appendix C to this Proxy Statement; and must include all information specified in that section. The Nominating Committee will only consider candidates who satisfy the Company's minimum qualifications for director, as set forth in Appendix C, including that directors represent the interests of all stockholders. One of the factors that will be taken into account in considering a stockholder recommendation is the size and duration of the recommending stockholder's ownership interest in the Company and whether the stockholder intends to continue holding that interest through the annual meeting date. Stockholders should be aware that it is the general policy of the Company to re-nominate qualified incumbent directors and that, absent special circumstances, the Nominating Committee will not consider other candidates when a qualified incumbent consents to stand for re-election. See Appendix C for more information on the nominating process.

### **Shareholder Proposals**

The Company must receive stockholder proposals for the 2006 Annual Meeting no later than January 13, 2006 in order to be considered for inclusion in the Company's proxy materials. Furthermore, proposals by stockholders submitted outside the process of Rule 14a-8 under the Securities Exchange Act of 1934 will be considered untimely and ineligible to come properly before the Company's 2006 Annual Meeting if such proposal is not received by the Company by March 29, 2006. Stockholder proposals must be submitted in writing to the Company's Secretary at the Company's headquarters at 200 Flynn Road, Camarillo, California 93012-8790.

**Accounting Matters**

The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters ( Accounting Matters ). Employees with concerns regarding Accounting Matters may report their concerns in writing to the Chief Financial Officer, Chief Executive Officer or the Corporate Counsel. Employees may also report concerns regarding Accounting Matters anonymously directly to the Audit Committee via the confidential reporting system maintained by the Company. Non-employee complaints regarding Accounting Matters may be reported by writing to the Audit Committee c/o the Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California 93012-8790.

**Other Business Matters**

A process for security holders to send communications to the Board, including procedures for collecting, organizing, and otherwise handling such communications, has been adopted by a majority of the independent members of the Board. Security holders may communicate with the Board, or any Committee or Director, about Company business by writing to such party in care of the Company Secretary at the Company s headquarters at 200 Flynn Road, Camarillo, California, 93012-8790. Security holders are encouraged to include evidence of their holdings with their communications.

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**PERFORMANCE GRAPH**
**Comparison of Five Year Cumulative Total Return**

This chart and graph show the value of a \$100 cash investment on the last day of fiscal year 2000 in (i) the Company's Common Stock, (ii) the NASDAQ Stock Market - U.S., and (iii) the NASDAQ Electronic Components Stocks. All values assume reinvestment of all dividends and are calculated as of the last day of each of our fiscal years. Note that historic stock price performance is not necessarily indicative of future stock price performance.

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Semtech Corporation	\$ 100	\$ 87	\$ 107	\$ 42	\$ 83	\$ 58
NASDAQ Stock Market - U.S.	\$ 100	\$ 71	\$ 50	\$ 35	\$ 55	\$ 53
NASDAQ Electronic Components Stocks	\$ 100	\$ 84	\$ 52	\$ 27	\$ 55	\$ 37

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**BENEFICIAL OWNERSHIP OF SECURITIES**

The chart below indicates the number of shares owned by each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of the Company's common stock. All information regarding shareholders who are not directors or officers is based on the Company's review of information filed with the SEC on Schedule 13G. The information provided to the SEC is as of December 31, 2004.

This chart also shows the number of shares held as of April 8, 2005, and stock options exercisable within 60 days of such date, by each director; the Company's Chief Executive Officer and each of the four other mostly highly compensated executive officers of the Company for fiscal year 2005 (collectively, the Named Executive Officers); and by all directors, Named Executive Officers and other executive officers as a group.

	<b>Beneficial Ownership of Common Stock</b>	
	(1)	
	<b>Number of Shares</b>	<b>%</b>
Franklin Resources, Inc. (2)	7,507,707	10.1
One Franklin Parkway, San Mateo, CA 94403		
T. Rowe Price Associates, Inc. (3)	7,228,900	9.7
100 E. Pratt Street, Baltimore, Maryland 21202		
Westfield Capital Management Co., LLC (4)	5,077,646	6.9
One Financial Center, Boston, MA 02111		
John D. Poe (5) (6) (7)	2,707,481	3.6
Chairman of the Board of the Company		
200 Flynn Road, Camarillo, CA 93012-8790		
Rockell N. Hankin, Vice Chairman of the Board (6)	510,149	*
Glen M. Antle, Director (6)	16,139	*
James P. Burra, Director (5) (6)	321,099	*
Jason L. Carlson, Director, President, Chief Executive Officer (6)	237,500	*
James T. Lindstrom, Director (6)	36,139	*
John L. Piotrowski, Director (6)	12,589	*
James T. Schraith, Director (6)	386,899	*
David G. Franz, Jr. (6)	917,102	1.2
Vice President and Chief Financial Officer		
Lawrence A. King, Vice President (6)	194,851	*

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Paul D. Peterson, Vice President (6)	113,750	*
Jeffrey T. Pohlman, Vice President (6)	343,400	*
All Directors and Executive Officers as a group	6,919,019	8.8
(23 persons including those named above) (5) (6)		

\* Less than 1%

(1) Unless otherwise indicated below and subject to community property laws where applicable, each person has sole voting and investment power with respect to the shares listed.

- (2) As reported in Schedule 13G/A filed February 14, 2005 by Franklin Resources, Inc ( FRI ). The reported shares are held in investment companies or other managed accounts which are advised by Franklin Advisors, Inc. ( FA ), Franklin Templeton Portfolio Advisors, Inc. ( FTPA ), and Fiduciary Trust Company International ( FTCI ), investment advisory subsidiaries of FRI. FRI reported that (a) FA has sole voting and dispositive power with respect to 6,526,300 shares, (b) FTPA has sole dispositive and voting power with respect to 979,907 shares, and (c) FTCI has sole dispositive and voting power with respect to 1,500 shares. FRI also reported that FTPA may hold some of the shares under wrap fee investment management arrangements under which the underlying client may retain the power to vote the shares and, to the extent any underlying clients retain voting power, FTPA disclaims sole power to vote those shares. FRI, FA, FTPA, FTCI and Charles B. Johnson and Rupert H. Johnson, Jr., principal shareholders of FRI, disclaim any economic interest in or beneficial ownership of the reported shares.
- (3) As reported in Schedule 13G/A filed on February 11, 2005 by T. Rowe Price Associates ( Price Associates ). Price Associates reported that these securities are owned by various individual and institutional investors for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. Price Associates reported sole dispositive power for all 7,228,900 shares, sole voting power for 1,629,400 of the shares, and no shared voting power.
- (4) As reported in Schedule 13G/A filed on February 14, 2005 by Westfield Capital Management, Co., LLC ( Westfield ). Westfield reported that it is an investment adviser with sole dispositive power for all 5,077,646 shares and sole voting power for 4,516,172 of the shares. In the letter accompanying the Schedule 13G/A, Westfield advised the Company that it disclaims any beneficial interest in the shares.
- (5) Mr. Poe disclaims beneficial ownership of 125,008 of the reported shares, as they are owned by his adult children. Mr. Burra and his spouse share voting and dispositive power with respect to 35,000 of the reported shares that are held in a revocable family trust. Other shares reported under All Executive Officers and Directors as a group may be held jointly by Executive Officers and their spouses, held solely by their spouses, held in revocable family trusts in which voting and/or dispositive powers may be shared with or rest in others, or held by other persons through whom they are deemed to have beneficial ownership of the shares.
- (6) The number of shares shown in the table includes shares which could be acquired within 60 days of April 8, 2005 by the exercise of stock options: for Mr. Poe 1,146,949; Mr. Hankin 505,149; Mr. Antle 16,139; Mr. Burra 286,099; Mr. Carlson 237,500; Mr. Lindstrom 16,139; Mr. Piotrowski 12,389; Mr. Schraith 326,899; Mr. Franz 684,762; Mr. King 194,851; Mr. Peterson 113,750; Mr. Pohlman 193,268 and for the group 4,842,991.

The ownership percentage is based on 73,753,087 shares outstanding as of April 8, 2005 and the numerator and denominator include the shares, shown above, which the individual has the right to acquire within 60 days thereof through the exercise of stock options. Although the shares that could be acquired by an individual are deemed to be outstanding in calculating the ownership percentage of that individual and of the group, they are not deemed to be outstanding as to any other individual.

- (7) As reported on a Form 8-K filed July 7, 2004, Mr. Poe informed the Company that he has entered into a written stock trading plan in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934 to sell up to 1,000,000 shares of the Company's common stock, which may include up to 500,000 shares issuable upon the exercise of stock options. The plan provides for sales of specified numbers of shares within specified price ranges, subject to certain limitations. Sales pursuant to this plan may take place between July 14, 2004 and July 15, 2005.

Rule 10b5-1 plans are permitted under the Company's Insider Trading Policy and this plan was established during one of the Company-established trading windows during which employees and directors may trade in Company securities. Except as may be required by law, the Company does not undertake to report written trading plans established by other Company employees, officers or directors, nor to report modifications, terminations, transactions or other activities under Mr. Poe's plan or the plan of any other employee, officer, or director. Mr. Poe has confirmed to the Company that, as required by securities laws, he will promptly publicly disclose any option exercises and/or stock sales made under the plan.





**EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES**

<b>Name</b>	<b>Age as of</b>	
	<b>January 30, 2005</b>	<b>Position</b>
Jason L. Carlson	42	President and Chief Executive Officer
David G. Franz, Jr.	43	Vice President, Finance and Chief Financial Officer
Anthony E. Giraudo	53	Chief Operating Officer
Kenneth W. Bauer	55	Vice President, Human Resources
John M. Baumann	36	Treasurer
Kevin P. Caffey	46	Vice President, Quality and Reliability
Mark R. Drucker	41	Vice President, Test and Measurement Products
Suzanna Fabos	49	Corporate Counsel and Secretary
Stewart Kelly	59	Director, Advanced Communications
Lawrence A. King	46	Vice President of Engineering, Portable Products
R. Nejo Nekar	61	Vice President, Business Development
Paul D. Peterson	42	Vice President, Sales and Marketing
Jeffrey T. Pohlman	55	Vice President, Protection Products
John T. Shaw	52	Vice President, Worldwide Operations
J. Michael Wilson	48	Vice President, Computing and Industrial Power Products
Edward Y. Yeow	41	Vice President of Business, Portable Products

Mr. Carlson joined Semtech in November 2002 as President and Chief Operating Officer. He was elected Chief Executive Officer and a Director of the Company in October 2003. He was previously employed by Cirrus Logic, Inc. as Vice President & General Manager for the Crystal Product Division (2001-2002) and the Consumer Products & Data Acquisition Division (1999-2001). He was formerly President and Chief Operating Officer of Audiologic, Inc. and was a co-founder of Resound Corporation. He is the sole Director of our wholly-owned subsidiaries Semtech Limited, Semtech Corpus Christi Corporation, Semtech New York Corporation and Semtech San Diego Corporation. He also serves as President of Semtech Corpus Christi Corporation and Semtech New York Corporation.

Mr. Franz was elected Vice President of Finance and Chief Financial Officer when he joined us in August 1993 and also served as Secretary until November 2003. Prior to joining the Company, Mr. Franz was employed by Teradata Corporation, Wickes Companies and Arthur Andersen LLP. He serves as a director of Semtech (International) AG and Semtech Switzerland GmbH, our wholly-owned subsidiaries in Switzerland, and as an officer of some of our other wholly-owned subsidiaries.

Mr. Giraudo joined the Company in April 2004 as Chief Operating Officer. He was employed by TelASIC as Chief Executive Officer and President from 2001 through 2003. He was employed by Atmel Corporation from 1989 to 2001, last serving as Vice President and General Manager of the RF wireless division. Mr. Giraudo has also been employed by Honeywell, NCR Corporation and IBM.

Mr. Bauer was appointed Vice President of Human Resources in May 2002. He was Vice President Human Resources at Line 6 Inc. from 2000 to 2001, Vice President Human Resources & Administration at eLinkCommerce.com during 2000, and Vice President, Human Resources &

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Facilities at Xircom, Inc. from 1995 to 2000. He has also held human resources positions at L.A. Gear and ARCO Products Company. He also serves as an officer of some of our wholly-owned subsidiaries.

Mr. Baumann joined Semtech in 1993 and was elected Treasurer in 1994. Prior to joining Semtech, he held financial related positions with NCR Corporation and Teradata Corporation. He also serves as an officer of some of our wholly-owned subsidiaries.

Mr. Caffey joined the Company in June 2004 as Vice President of Quality and Reliability. He was employed by LSI Logic Corporation from 1998 to 2004, last serving as Director of Worldwide Reliability. Mr. Caffey has also been employed by Symbios Logic, Hyundai Electronics America, AT&T and NCR Corporation.

Mr. Drucker joined us as a result of the 1997 acquisition of Edge Semiconductor, where he was Director of Operations. He continued in that role until he was appointed Vice President, Test and Measurement Products in January 2002. He was previously employed by Brooktree, Analog Devices and Westinghouse Electric. He also serves as President of Semtech San Diego Corporation, one of our wholly-owned subsidiaries.

Ms. Fabos joined us as Corporate Counsel in April 2000 and was elected Assistant Secretary in June 2000 and Secretary in November 2003. She had been employed in the legal department of Lockheed Martin Corporation for twelve years, where her last post was as Assistant G