



SKYWORKS®

2019 Annual Report

Notice of 2020 Annual Meeting
and Proxy Statement



**Connecting Everyone
and Everything, All the Time**





SKYWORKS®



Dear Stockholders,

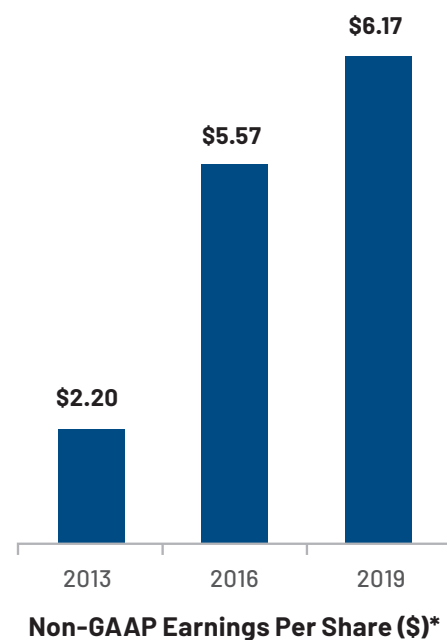
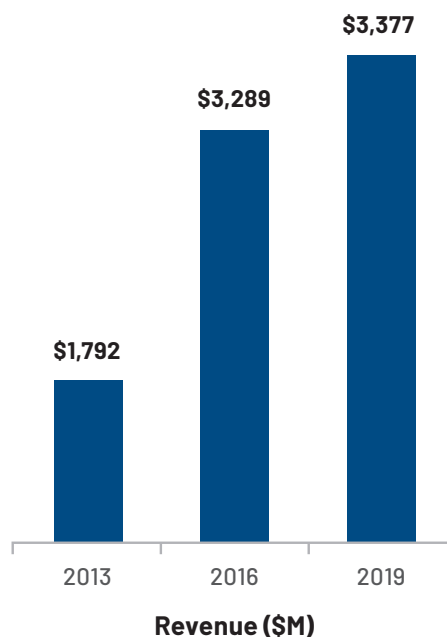
As a result of our resilient business model, solid execution and continued strategic investments throughout fiscal 2019, Skyworks overcame a challenging market environment, forging a path to the next generation of connectivity. Our technology launches spanned the globe, powering the most significant and diverse set of 5G platforms, while partnering with the most impactful mobile device innovators as well as leading wireless carriers. Our expansive suite of platform-based systems-level solutions differentiates Skyworks as a leader in developing cutting-edge technologies, enabling richer, smarter and more convenient ways for consumers to live, work, play and educate.

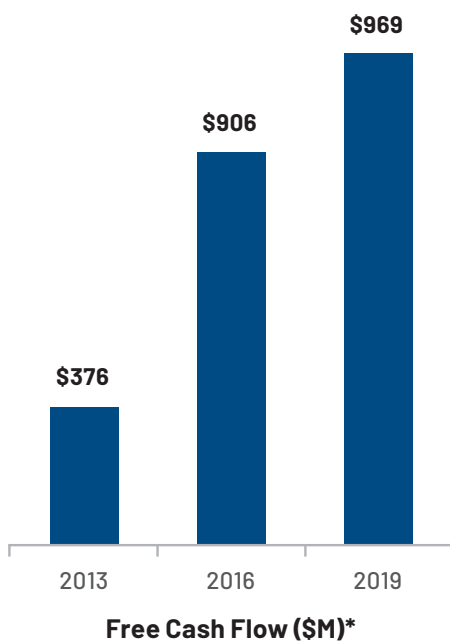
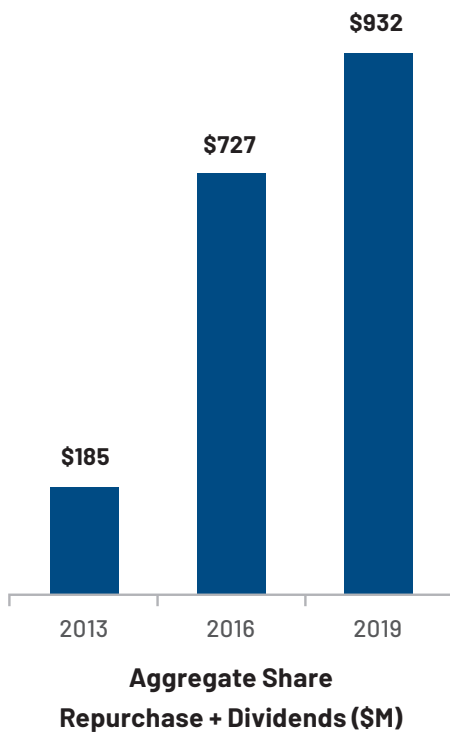
Uniquely Positioned for Growth

Throughout my nearly twenty years at the company, Skyworks has proven itself a market leader by introducing many of the breakthrough technologies that form the backbone of today's mobile economy. We have made critical investments in human capital, intellectual property and manufacturing scale, positioning us well to usher in a new era of ubiquitous connectivity.

We maintain a relentless focus on solving our customers' most challenging problems, positioning our partners to win by resolving complexity. Our customer-first philosophy drives our product roadmaps, where we are leveraging unique, customized, systems-based solutions that are purpose built to offer interoperability and unprecedented levels of performance while providing our partners with optimal choice and architectural flexibility.

Looking ahead, the expansion of our core markets is expected to outpace the growth of the broader semiconductor sector. This opportunity for Skyworks is made even more compelling as the demand for our products is closely correlated with the advancement of new wireless protocols, fueling a rapidly growing and diverse set of applications.





A Year of Operational Excellence

Although we began fiscal 2019 with optimism, unexpected headwinds related to the U.S.-China trade war quickly weighed on our industry. As a company, we weathered the extraordinary volatility in demand by vigilantly managing our operating expenses, improving factory efficiency and launching a suite of new products that will propel our future growth.

Specifically, during fiscal 2019, we delivered revenue of \$3.4 billion and non-GAAP diluted earnings per share of \$6.17.* We generated free cash flow of \$969 million,* up 16% from fiscal 2018. Further, we returned 96% of our free cash flow to stockholders through dividends and share buybacks. Our financial discipline and actions supported a healthy balance sheet throughout the year, concluding fiscal 2019 with cash and marketable securities of more than \$1 billion and no debt.

5G: Disrupting and Fueling the Connected Economy

We are certain 5G will play a pivotal role in propelling the future of technology, catalyzing new markets from autonomous transport to industrial robotics, smart cities and personalized telemedicine. 5G will accelerate the development of applications we've never dreamed of, yet may soon realize we can't live without.

5G is a technology, not a product, brand or slogan. Offering gigabit speed, ultra-low latency and enhanced network capacity, 5G will facilitate a wide range of mission-critical applications that traditionally required a wired connection. As a result, many analysts forecast that 5G will become the universal connector, initiating a massive unwiring across the broad technology landscape.

At Skyworks, we have been investing in 5G technology development for years. Our Sky5® platform, successfully launched in fiscal 2019, was expressly developed to enable

*Please see table on page 90 for a full reconciliation of non-GAAP results to GAAP results.

rapid deployment of 5G technology across a broad set of new and existing customers. Our hands-on approach and the flexibility of our systems bring tremendous value and accelerated time to market as customers advance their portfolios with 5G.

Revolutionizing Connectivity Beyond Smartphones

While smartphones are leading the 5G transition, the unwiring I mentioned above will extend well beyond handsets. 5G, Wi-Fi and other wireless protocols are increasingly replacing Ethernet, optical and wireline cable as the technologies of choice for networks in our homes, businesses, schools, medical facilities and factories. Over time, we foresee an incredible unit uptick across numerous applications, where high-speed connectivity will drive a device count numbered in the tens of billions.

This past year, we significantly scaled our broad market opportunities, enabling an entirely new set of usage cases catalyzed by Skyworks' flexible connectivity engines. Specifically, we forged impactful share gains in targeted segments, including IoT, automotive, infrastructure, M2M and telemedicine, as well as capturing forward-looking opportunities in artificial intelligence, virtual reality and voice synthesis.

Looking to the Future

As this letter goes to print, we are in the midst of the COVID-19 outbreak, which has led to substantial uncertainty for individuals, companies, governments and financial markets around the world. Skyworks like many other companies recently decided that, given these difficult times, we would conduct our upcoming annual stockholder meeting in a virtual format, with the objective of supporting virus containment efforts.

At this juncture, Skyworks remains confident in our long-term mission of empowering the wireless networking revolution. Our balance sheet and cash-generation abilities continue to be among the industry's strongest, and our workforce is as talented and dedicated as ever.

As we look toward the future, we are uniquely positioned to lead—from the dawn of 5G to the burgeoning set of new usage cases on the horizon. Our ambitions are propelled by sustained investments in next-generation technology, deep customer partnerships and the innovative spirit of our Skyworks team. We thank you for your confidence and trust embracing our vision of *Connecting Everyone and Everything, All the Time*.



Liam K. Griffin

President and Chief Executive Officer



Liam K. Griffin
*President,
Chief Executive Officer
and Director*



Carlos S. Bori
*Senior Vice President,
Sales and Marketing*



Kari A. Durham
*Senior Vice President,
Human Resources*



Reza Kasnavi
*Senior Vice President,
Technology and Manufacturing*



Joel R. King
*Senior Vice President
and General Manager,
Mobile Solutions*



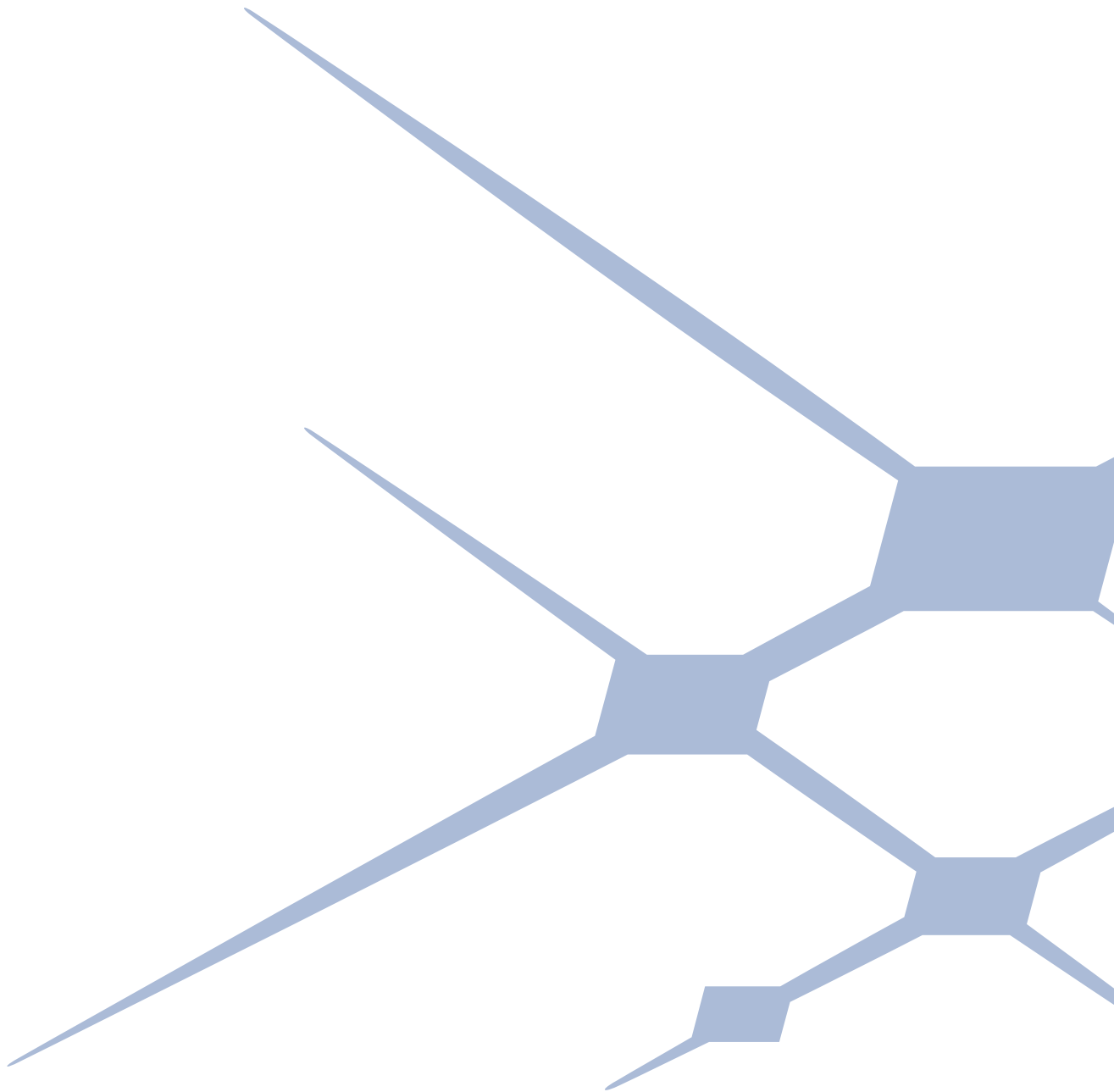
Kris Sennesael
*Senior Vice President and
Chief Financial Officer*



David Stasey
*Vice President and
General Manager,
Diversified Analog Solutions*



Robert J. Terry
*Senior Vice President,
General Counsel
and Secretary*





March 27, 2020

Dear Stockholder:

I am pleased to invite you to attend the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Skyworks Solutions, Inc., to be held at 2:00 p.m. Eastern Daylight Time, on Wednesday, May 6, 2020. The Annual Meeting will be held online due to the emerging public health impact of the coronavirus outbreak (COVID-19) and to support the health and well-being of our partners, employees, and stockholders. You will be able to attend and participate in the Annual Meeting online by visiting www.virtualshareholdermeeting.com/SWKS2020, where you will be able to listen to the meeting live, submit questions, and vote. In light of the public health and safety concerns related to COVID-19, we believe that hosting a “virtual meeting” will enable greater stockholder attendance and participation from any location around the world. We intend to resume our historical practice of holding an in-person meeting next year. We look forward to your participation online or by proxy. The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the matters that we expect to be acted upon at the Annual Meeting.

Whether or not you plan to attend the Annual Meeting online, and regardless of how many shares you own, it is important that your shares be represented at the Annual Meeting. Accordingly, if you are a stockholder of record, we urge you to complete the proxy and return it to us promptly in the postage-prepaid envelope provided, or to complete and submit your proxy by telephone or via the Internet in accordance with the instructions on the proxy card. If your shares are held in “street name,” that is, held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted. If you do attend the Annual Meeting online and wish to vote at that time, you may revoke a previously submitted proxy by voting at the meeting.

Sincerely yours,

David J. Aldrich

Chairman of the Board

Notice of Annual Meeting of Stockholders To Be Held on Wednesday, May 6, 2020

To the Stockholders of Skyworks Solutions, Inc.:

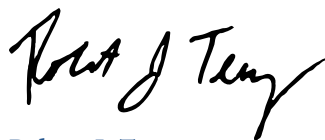
The 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Skyworks Solutions, Inc. (the “Company”), will be held on Wednesday, May 6, 2020, at 2:00 p.m. Eastern Daylight Time. The Annual Meeting will be held online, accessed through the site www.virtualshareholdermeeting.com/SWKS2020, to consider and act upon the following proposals:

1. To elect nine individuals nominated to serve as directors of the Company with terms expiring at the 2021 Annual Meeting of Stockholders and named in the Proxy Statement;
2. To ratify the selection by the Company’s Audit Committee of KPMG LLP as the independent registered public accounting firm for the Company for fiscal year 2020;
3. To approve, on an advisory basis, the compensation of the Company’s named executive officers;
4. To approve an amendment to the Company’s 2002 Employee Stock Purchase Plan, as Amended;
5. To approve an amendment to the Company’s Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a merger or consolidation, disposition of all or substantially all of the Company’s assets, or issuance of a substantial amount of the Company’s securities;
6. To approve an amendment to the Company’s Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a business combination with any related person;
7. To approve an amendment to the Company’s Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of charter provisions governing directors;
8. To approve an amendment to the Company’s Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of the charter provision governing action by stockholders;
9. To consider one stockholder proposal, if properly presented at the Annual Meeting; and
10. To transact such other business as may properly come before the Annual Meeting.

Only stockholders of record at the close of business on March 12, 2020, are entitled to notice of and to vote at the Annual Meeting. **To ensure your representation at the Annual Meeting, we urge you to submit a proxy promptly in one of the following ways whether or not you plan to attend the Annual Meeting online:** (a) by completing, signing, and dating the proxy card and returning it in the postage-prepaid envelope provided for that purpose; (b) by completing and submitting your proxy using the toll-free telephone number listed on the proxy card; or (c) by completing and submitting your proxy via the Internet by visiting the website address listed on the proxy card. The Proxy Statement accompanying this notice describes each of the items of business listed above in more detail. Our Board of Directors recommends: a vote “FOR” the election of the nominees for director named in Proposal 1 of the Proxy Statement; a vote “FOR” Proposal 2, ratifying the selection of KPMG LLP as the independent registered public accounting firm of the Company for fiscal year 2020; a vote “FOR” Proposal 3, approving, on an advisory basis, the compensation of the Company’s named executive officers; a vote “FOR” Proposal 4, approving the amendment to the Company’s 2002 Employee Stock Purchase Plan, as Amended; a vote “FOR” each of Proposals 5–8, approving amendments to the Company’s Restated Certificate of Incorporation; and a vote “AGAINST” Proposal 9, a non-binding stockholder proposal.

The accompanying Proxy Statement includes further information about how to attend the Annual Meeting online, vote your shares online during the Annual Meeting, and submit questions online during the Annual Meeting. A complete list of registered stockholders will be available for examination during the Annual Meeting at www.virtualshareholdermeeting.com/SWKS2020.

By Order of the Board of Directors,



Robert J. Terry

Senior Vice President, General Counsel and Secretary

Proxy Statement 2020



Proxy Statement

2020 Annual Meeting of Stockholders

Table of Contents

<p>Proxy Summary Statement 11</p> <p>General Information 12</p> <p>Proposal 1: Election of Directors 18</p> <p style="padding-left: 20px;">Nominees for Election 20</p> <p style="padding-left: 20px;">Corporate Governance 26</p> <p style="padding-left: 20px;">Committees of the Board of Directors 29</p> <p style="padding-left: 20px;">Role of the Board of Directors in Risk Oversight 33</p> <p style="padding-left: 20px;">Compensation Committee Interlocks and Insider Participation 34</p> <p style="padding-left: 20px;">Certain Relationships and Related Person Transactions 34</p> <p>Proposal 2: Ratification of Independent Registered Public Accounting Firm 35</p> <p style="padding-left: 20px;">Audit Fees 36</p> <p>Report of the Audit Committee 37</p> <p>Proposal 3: Advisory Vote on the Compensation of Our Named Executive Officers (“Say-on-Pay Vote”) 38</p> <p>Information About Executive and Director Compensation 39</p> <p style="padding-left: 20px;">Summary and Highlights 39</p> <p style="padding-left: 20px;">Compensation Discussion and Analysis 41</p> <p style="padding-left: 20px;">Compensation Tables for Named Executive Officers 53</p> <p style="padding-left: 20px;">Director Compensation 63</p> <p>Compensation Committee Report 65</p>	<p>Proposal 4: Approval of Amendment to the 2002 Employee Stock Purchase Plan . . . 66</p> <p style="padding-left: 20px;">Description of the ESPP as Proposed to be Amended 66</p> <p style="padding-left: 20px;">Plan Benefits 70</p> <p style="padding-left: 20px;">Equity Compensation Plan Information 71</p> <p>Proposals 5-8: Approval of Amendments to Charter to Eliminate Supermajority Vote Provisions 72</p> <p>Proposal 9: Stockholder Proposal Regarding Right to Act by Written Consent 77</p> <p style="padding-left: 20px;">Statement of Opposition by the Board of Directors 78</p> <p>Security Ownership of Certain Beneficial Owners and Management 79</p> <p>Other Proposed Action 81</p> <p>Other Matters 81</p> <p>Appendix A: Provisions of Charter Subject to Potential Amendment 83</p> <p>Appendix B: Unaudited Reconciliations of Non-GAAP Financial Measures 90</p> <p style="padding-left: 20px;">Discussion Regarding the Use of Non-GAAP Financial Measures 91</p>
--	---



Proxy Statement Summary

This summary highlights information generally contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider in advance of the 2020 Annual Meeting of Stockholders, and we encourage you to read the entire Proxy Statement before voting your shares.

2020 Annual Meeting of Stockholders



Date & Time

May 6, 2020
2:00 p.m. Eastern
Daylight Time



Virtual Meeting Access

www.virtualshareholdermeeting.com/SWKS2020



Record Date

March 12, 2020

Matters to be Voted Upon

Your vote is very important to us. Please cast your vote on all of the proposals to ensure that your shares are represented.

Proposal	Required Vote for Approval	Board Recommendation	For more information, see page
1 Election of Directors	For each director, majority of votes cast	FOR Each Nominee	18
2 Ratification of Appointment of KPMG LLP	Majority of votes present and entitled to vote	FOR	35
3 Advisory Vote to Approve Compensation of Named Executive Officers	Majority of votes present and entitled to vote	FOR	38
4 Approve Amendment to 2002 Employee Stock Purchase Plan, as Amended	Majority of votes present and entitled to vote	FOR	66
5-8 Approve Amendments to Certificate of Incorporation to Eliminate Supermajority Vote Provisions	80% (or 90% in case of Proposal 6) of shares outstanding	FOR	72
9 One stockholder proposal, if properly presented at the Annual Meeting	Majority of votes present and entitled to vote	AGAINST	77

General Information

How do we refer to Skyworks in this Proxy Statement?

The terms “Skyworks,” “the Company,” “we,” “us,” and “our” refer to Skyworks Solutions, Inc., a Delaware corporation, and its consolidated subsidiaries.

When and where is our Annual Meeting?

The Company’s 2020 Annual Meeting of Stockholders (the “Annual Meeting”) will be held on Wednesday, May 6, 2020, at 2:00 p.m. Eastern Daylight Time. The Annual Meeting will be held online due to the emerging public health impact of the coronavirus outbreak (COVID-19) and to support the health and well-being of our partners, employees, and stockholders. You will be able to attend and participate in the Annual Meeting online by visiting www.virtualshareholdermeeting.com/SWKS2020. In light of the public health and safety concerns related to COVID-19, we believe that hosting a virtual meeting will facilitate stockholder attendance and participation at our Annual Meeting by enabling stockholders to participate remotely from any location around the world. We have designed the virtual Annual Meeting to provide the same rights and opportunities to participate as stockholders would have at an in-person meeting, including the right to vote and ask questions through the virtual meeting platform. We intend to return to holding an in-person annual meeting in 2021.

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will consider and vote on the following matters:

- Proposal 1: The election of the nine nominees named in this Proxy Statement to our Board of Directors to serve until the 2021 Annual Meeting of Stockholders.
- Proposal 2: The ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending October 2, 2020 (“fiscal year 2020”).
- Proposal 3: The approval, on a non-binding basis, of the compensation of our Named Executive Officers, as described below under “*Compensation Discussion and Analysis*,” and in the executive compensation tables and accompanying narrative disclosures in this Proxy Statement.
- Proposal 4: The approval of an amendment to the Company’s 2002 Employee Stock Purchase Plan, as Amended.
- Proposals 5, 6, 7, and 8: The approval of various amendments to the Company’s Restated Certificate of Incorporation regarding elimination of supermajority vote provisions.
- Proposal 9: A non-binding stockholder proposal regarding a right by stockholders to act by written consent, if properly presented at the Annual Meeting.

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

What is included in our proxy materials?

The Company’s Annual Report, which includes financial statements and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” for the fiscal year ended September 27, 2019 (“fiscal year 2019”), accompanies this Proxy Statement. This Proxy Statement and form of proxy, and/or notice of access thereto, are being first mailed to stockholders on or about March 27, 2020. The Proxy Statement and the Company’s Annual Report are available at www.skyworksinc.com/annualreport.

Who can vote at our Annual Meeting?

Only stockholders of record at the close of business on March 12, 2020 (the “Record Date”), are entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 169,562,821 shares of Skyworks’ common stock issued and outstanding. Pursuant to Skyworks’ Restated Certificate of Incorporation and By-laws, and applicable Delaware law, each share of common stock entitles the holder of record at the close of business on the Record Date to one vote on each matter considered at the Annual Meeting.

Is my vote important?

Yes. Your vote is important no matter how many shares you own. Please take the time to vote in the way that is easiest and most convenient for you, and cast your vote as soon as possible.

How do I vote if I am a stockholder of record?

As a stockholder of record, you may vote in one of the following three ways whether or not you plan to attend the Annual Meeting online: (a) by completing, signing, and dating the proxy card and returning it in the postage-prepaid envelope provided for that purpose, (b) by completing and submitting your proxy using the toll-free telephone number listed on the proxy card, or (c) by completing and submitting your proxy via the Internet at the website address listed on the proxy card. If you attend the Annual Meeting online, you may vote online at the Annual Meeting even if you have previously submitted your proxy by mail or telephone, or via the Internet (and your vote at the Annual Meeting will automatically revoke your previously submitted proxy, although mere virtual attendance at the meeting without voting will not have that result).

How do I vote if I am a beneficial owner of shares held in “street name”?

If your shares are held on your behalf by a third party such as your broker or another person or entity who holds shares of the Company on your behalf and for your benefit, which person or entity we refer to as a

“nominee,” and your broker (or other nominee) is the stockholder of record of such shares, then you are the beneficial owner of such shares and we refer to those shares as being held in “street name.” As the beneficial owner of your “street name” shares, you are entitled to instruct your broker (or other nominee) as to how to vote your shares. Your broker (or other nominee) will provide you with information regarding how to instruct your broker (or other nominee) as to the voting of your “street name” shares.

How do I vote if I am a participant in the Skyworks 401(k) Savings and Investment Plan?

If you are a participant in the Skyworks 401(k) Savings and Investment Plan (the “401(k) Plan”), you will receive an instruction card for the Skyworks shares you own through the 401(k) Plan. That instruction card will serve as a voting instruction card for the trustee of the 401(k) Plan, and your 401(k) Plan shares will be voted as you instruct.

Can I change my vote after I have voted?

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted at the Annual Meeting. Proxies may be revoked by (a) delivering to the Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy, (b) duly completing a later-dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the Annual Meeting, or (c) attending the Annual Meeting online and voting (although virtual attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be delivered to the Company’s executive offices at Skyworks Solutions, Inc., 5221 California Avenue, Irvine, CA 92617, Attention: Secretary, before the taking of the vote at the Annual Meeting. If you vote your shares over the Internet prior to the Annual Meeting, only your latest Internet vote submitted prior to the Annual Meeting will be counted at the Annual Meeting.

How do I virtually attend the Annual Meeting?

You are invited to attend the Annual Meeting online by visiting www.virtualshareholdermeeting.com/SWKS2020, where you will be able to listen to the meeting live, submit questions, and vote. The meeting will begin at 2:00 p.m. Eastern Daylight Time. In order to participate in the meeting, you will need the multi-digit number included in your proxy card, voter instruction form, or notice. Instructions on how to attend and participate online, including how to demonstrate proof of stock ownership, will be posted at www.virtualshareholdermeeting.com/SWKS2020.

Online check-in will begin at 1:45 p.m. Eastern Daylight Time on May 6, 2020, and you should allow ample time for the online check-in proceedings. We will have technicians standing by and ready to assist you with any technical difficulties you may have accessing the virtual meeting starting at 1:45 p.m. Eastern Daylight Time on May 6, 2020. If you encounter any difficulties accessing the virtual meeting during the check-in time or meeting time, please call the phone number that will be listed at that time at www.virtualshareholdermeeting.com/SWKS2020.

If I vote by proxy, how will my vote be cast?

The persons named as attorneys-in-fact in this Proxy Statement, Liam K. Griffin and Robert J. Terry, were selected by the Board of Directors and are officers of the Company. As attorneys-in-fact, Messrs. Griffin and Terry will vote any shares represented at the meeting by proxy. Each executed proxy card returned by a stockholder of record or proxy vote recorded via telephone or the Internet by a stockholder of record in the manner provided on the proxy card prior to the taking of the vote at the Annual Meeting will be voted. Where a choice has been specified in an executed proxy with respect to the matters to be acted upon at the Annual Meeting, the shares represented by the proxy will be voted in accordance with the choices specified.

How will my shares be voted if I do not give specific voting instructions when I deliver my proxy?

If you are a stockholder of record and deliver a proxy but do not give specific voting instructions, then the proxy holders will vote your shares as recommended by the Board of Directors.

If your shares are held in “street name,” your broker (or other nominee) is required to vote those shares in accordance with your instructions. If you do not give instructions to your broker (or other nominee), your broker (or other nominee) will only be entitled to vote your shares with respect to “discretionary” matters, as described below, but will not be permitted to vote the shares with respect to “non-discretionary” matters. **If you beneficially own shares that are held in “street name” by your broker (or other nominee), we strongly encourage you to provide instructions to your broker (or other nominee) as to how to vote on the election of directors and all of the Proposals by signing, dating, and returning to your broker (or other nominee) the instruction card provided by your broker (or other nominee).**

If you are a participant in the 401(k) Plan, the trustee of the 401(k) Plan will not vote your 401(k) Plan shares if the trustee does not receive voting instructions from you by 11:59 p.m. Eastern Time on May 1, 2020, unless otherwise required by law.

What is a “broker non-vote”?

A “broker non-vote” occurs when your broker (or other nominee) submits a proxy for your shares (because the broker (or other nominee) has either received instructions from you on one or more proposals, but not all, or has not received instructions from you but is entitled to vote on a particular “discretionary” matter) but does not indicate a vote “FOR” a particular proposal because the broker (or other nominee) either does not have authority to vote on that proposal and has not received voting instructions from you or has “discretionary” authority on the proposal but chooses not to exercise it. “Broker non-votes” are not counted to determine the number of votes present for the particular proposal, nor are

they counted as votes “FOR” or “AGAINST” the proposal in question or as abstentions, except for Proposals 5, 6, 7, and 8 regarding the approval of amendments to the Company’s Restated Certificate of Incorporation, for which broker non-votes will have the same effect as votes “AGAINST” such proposals. We count “broker non-votes” for the purpose of determining a quorum for the Annual Meeting. If your shares are held in “street name” by your broker (or other nominee), please check the instruction card provided by your broker (or other nominee) or contact your broker (or other nominee) to determine whether you will be able to vote by telephone or via the Internet.

What vote is required for each matter?

Election of Directors. Pursuant to the Company’s By-laws, a nominee will be elected to the Board of Directors if the votes cast “FOR” the nominee’s election at the Annual Meeting exceed the votes cast “AGAINST” the nominee’s election (as long as the only director nominees are those individuals set forth in this Proxy Statement). Abstentions and “broker non-votes” will not count as votes “FOR” or “AGAINST.” If the shares you own are held in “street name,” your broker (or other nominee), as the record holder of your shares, is required to vote your shares according to your instructions. Proposal 1 is *not* considered to be a “discretionary” matter for certain brokers. **If you do not instruct your broker how to vote with respect to this item, your broker may not vote your shares with respect to the election of directors.** In such case, a “broker non-vote” may occur, which will have no effect on the outcome of Proposal 1.

Ratification of Independent Registered Public Accounting Firm. The affirmative vote of a majority of the shares present, or represented by proxy, at the Annual Meeting, and entitled to vote on such matter at the Annual Meeting, is required to approve Proposal 2. Proposal 2 involves a matter on which a broker (or other nominee) *does* have “discretionary” authority to vote. **If you do not instruct your broker how to vote with respect to this item, your broker may still vote**

your shares with respect to this proposal in its discretion. With respect to Proposal 2, a vote of “ABSTAIN” will have the same effect as a vote of “AGAINST.”

Say-on-Pay Vote; Approval of 2002 Employee Stock Purchase Plan, as Amended; Stockholder Proposal. The affirmative vote of a majority of the shares present online, or represented by proxy at the Annual Meeting, and entitled to vote on such matter at the Annual Meeting, is required to approve Proposals 3, 4, and 9. Proposals 3, 4, and 9 are *not* considered to be “discretionary” matters for certain brokers. **If you do not instruct your broker how to vote with respect to these items, your broker may not vote your shares with respect to these proposals.** In such case, a “broker non-vote” may occur, which will have no effect on the outcome of Proposals 3, 4, and 9. Votes that are marked “ABSTAIN” are counted as present and entitled to vote with respect to Proposals 3, 4, and 9 and will have the same impact as a vote that is marked “AGAINST” for purposes of Proposals 3, 4, and 9.

Approval of Amendments to the Company’s Restated Certificate of Incorporation. Approval of Proposals 5, 6, 7, and 8 requires the affirmative vote of the holders of at least the following percentages of the shares of our outstanding common stock, respectively: 80%, 90%, 80%, and 80%. Proposals 5-8 are *not* considered to be “discretionary” matters for certain brokers. **If you do not instruct your broker how to vote with respect to one or more of these items, your broker may not vote your shares with respect to such proposals.** In such case, a “broker non-vote” may occur, which will have the same effect as a vote that is marked “AGAINST” for purposes of such proposal. Votes that are marked “ABSTAIN” as to any of Proposals 5-8 are counted as present and entitled to vote with respect to such proposal and will have the same impact as a vote that is marked “AGAINST” for purposes of such proposal.

How does the Board of Directors recommend that I vote?

The Board of Directors recommends that you vote:

FOR the election of each of the nine director nominees (Proposal 1).

FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2020 (Proposal 2).

FOR the approval, on a non-binding basis, of the compensation of our Named Executive Officers, as described below under “*Compensation Discussion and Analysis*,” and in the executive compensation tables and accompanying narrative disclosures (Proposal 3).

FOR the approval of an amendment to the Company’s 2002 Employee Stock Purchase Plan, as Amended (Proposal 4).

FOR the approval of amendments to the Company’s Restated Certificate of Incorporation (Proposals 5-8).

AGAINST the approval, on a non-binding basis, of a stockholder proposal regarding a right by stockholders to act by written consent (Proposal 9).

How will the votes cast at our Annual Meeting be counted?

Broadridge Financial Solutions, Inc., and our independent inspector of elections will tabulate the votes at the Annual Meeting. The vote on each matter submitted to stockholders will be tabulated separately.

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

We expect to announce the preliminary voting results at our Annual Meeting. The final voting results will be reported in a Current Report on Form 8-K that will be filed with the Securities and Exchange Commission (the “SEC”) within four business days after the end of our Annual Meeting and will be posted on our website.

Will my vote be kept confidential?

Yes. We will keep your vote confidential unless (1) we are required by law to disclose your vote (including in connection with the pursuit or defense of a legal or

administrative action or proceeding), or (2) there is a contested election for the Board of Directors. The inspector of elections will forward any written comments that you make on the proxy card to management without providing your name, unless you expressly request on your proxy card that your name be disclosed.

What is the quorum requirement for our Annual Meeting?

The holders of a majority of the issued and outstanding stock of the Company present either in person or by proxy at the Annual Meeting constitute a quorum for the transaction of business at the Annual Meeting. Shares present virtually during the Annual Meeting will be considered shares of common stock represented in person at the meeting. Shares that abstain from voting on any proposal and “broker non-votes” will be counted as shares that are present for purposes of determining whether a quorum exists at the Annual Meeting. If a “broker non-vote” occurs with respect to any shares of the Company’s common stock on any matter, then those shares will be treated as not present and not entitled to vote with respect to that matter (even though those shares are considered entitled to vote for purposes of determining whether a quorum exists because they are entitled to vote on other matters) and will not be voted.

How do I submit a question at the Annual Meeting?

If you wish to submit a question, beginning at 1:45 p.m. Eastern Daylight Time on May 6, 2020, you may log into the virtual meeting platform at www.virtualshareholdermeeting.com/SWKS2020, type your question into the “Ask a Question” field, and click “Submit.” Our virtual meeting will be governed by our Annual Meeting Rules of Conduct which will include rules on permissible topics for stockholder questions and will be posted at www.virtualshareholdermeeting.com/SWKS2020.

When will Skyworks next hold an advisory vote on the frequency of say-on-pay votes?

Skyworks currently conducts an annual say-on-pay vote. The next advisory vote on the frequency of say-on-pay votes is expected to be held at our 2023 Annual Meeting of Stockholders.

What is “householding”?

Some brokers (or other nominees) may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of this Proxy Statement and our Annual Report may have been sent to multiple stockholders in your household. If you are a stockholder and your household or address has received only one Annual Report and one Proxy Statement, the Company will promptly deliver a separate copy of the Annual Report and the Proxy Statement to you, upon your written request to Skyworks Solutions, Inc., 5221 California Avenue, Irvine, CA 92617, Attention: Investor Relations, or oral request to Investor Relations

at (949) 231-3433. If you would like to receive separate copies of our Annual Report and Proxy Statement in the future, you should direct such request to your broker (or other nominee). Even if your household or address has received only one Annual Report and one Proxy Statement, a separate proxy card should have been provided for each stockholder account. Each individual proxy card should be signed, dated, and returned in the postage-prepaid envelope (or completed and submitted by telephone or via the Internet, as described on the proxy card). If your household has received multiple copies of our Annual Report and Proxy Statement, you can request the delivery of single copies in the future by contacting your broker (or other nominee), or the Company at the address or telephone number above.

PROPOSAL 1:

Election of Directors

Under this Proposal 1, you are being asked to consider nine nominees for election to our Board of Directors to serve until the 2021 Annual Meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal. The names of the nine nominees for election as directors, their current occupations, the year such nominees were first elected as directors of the Company and their Board committee memberships are set forth in the table below. Each nominee for election has agreed to serve if elected, and the Board of Directors knows of no reason why any nominee should be unable or unwilling to serve. If a nominee is unable or unwilling to serve, the attorneys-in-fact named in this Proxy Statement will vote any shares represented at the meeting by proxy for the election of another individual nominated by the Board of Directors, if any. No nominee or executive officer is

related by blood, marriage, or adoption to any other director, nominee, or executive officer. No arrangements or understandings exist between any director or person nominated for election as a director and any other person pursuant to which such person is to be selected as a director or nominee for election as a director.

Balakrishnan S. Iyer, age 63, the current chairman of the Audit Committee, has served as a director since 2002 and is not a director nominee up for reelection at the Annual Meeting. As a result, the number of directors constituting the Board of Directors will be reduced from ten (10) to nine (9) effective upon the election of directors at the Annual Meeting. Proxies cannot be voted for a greater number of individuals than the number of nominees named in this Proxy Statement.

Director Nominees

Name and Occupation	Director Since	Independent	Committee Memberships		
			AC	CC	NCGC
David J. Aldrich <i>Chairman of the Board, Skyworks Solutions, Inc.</i>	2000				
Alan S. Batey <i>Retired Executive Vice President and President of N. A., General Motors</i>	2019	●			●
Kevin L. Beebe <i>President and Chief Executive Officer, 2BPartners, LLC</i>	2004	●			C
Timothy R. Furey <i>Chief Executive Officer, MarketBridge</i>	1998	●	●		●
Liam K. Griffin <i>President, Chief Executive Officer and Director</i>	2016				
Christine King <i>Lead Independent Director, Skyworks Solutions, Inc. Retired Executive Chairman, QLogic Corporation</i>	2014	●	●	C	
David P. McGlade <i>Chairman of the Board, Intelsat S.A.</i>	2005	●	●	●	
Robert A. Schriesheim <i>Chairman, Truax Partners LLC</i>	2006	●		●	●
Kimberly S. Stevenson <i>Senior Vice President and General Manager, NetApp, Inc.</i>	2018	●			●

“AC” indicates Audit Committee, “CC” indicates Compensation Committee, “NCGC” indicates Nominating and Corporate Governance Committee, and “C” indicates Committee Chair

Immediately below this proposal is biographical information about each of the director nominees, including information regarding each nominee's business experience for the past five years, and the names of other public companies for which each nominee has served as a director during the past five years. The information presented below regarding the specific experience, qualifications, attributes, and skills of each nominee led our Nominating and Corporate Governance Committee and our Board of Directors to conclude that he or she should serve as a director.

Majority Vote Standard for Election of Directors

A nominee for election as a director in an uncontested election (an election where the number of nominees for election as directors is equal to or less than the number of directors to be elected) will be elected if the number of votes cast "FOR" such nominee's election exceeds the number of votes cast "AGAINST" the nominee's election. In a contested election (in which the number of nominees for election as directors exceeds the number of directors to be elected at such meeting), directors are elected by a plurality of all votes cast in such election. The election of directors at this Annual Meeting is uncontested. As a result, each nominee for election as a director at the Annual Meeting will only be elected if the votes cast "FOR" such nominee exceed the number of votes cast

"AGAINST" such nominee. As required by our corporate governance guidelines, which are available on the Investor Relations portion of the Company's website at www.skyworksinc.com, each incumbent director who is a nominee for election as a director at the Annual Meeting submitted to the Board of Directors an irrevocable resignation that would become effective if the votes cast "FOR" such nominee's election do not exceed the votes cast "AGAINST" such nominee's election and our Board of Directors determines to accept his or her resignation. Upon such resignation by a nominee and pursuant to the procedures set forth in the corporate governance guidelines, the Nominating and Corporate Governance Committee will evaluate the best interests of our Company and stockholders and will recommend to our Board of Directors the action to be taken with respect to the resignation. The Board of Directors will then decide whether to accept, reject, or modify the Nominating and Corporate Governance Committee's recommendation, and the Company will publicly disclose such decision by the Board of Directors with respect to the director nominee.

Shares represented by all proxies received by the Board of Directors that are properly completed, but do not specify a choice as to the election of directors, will be voted "FOR" the election of all nine of the nominees.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE ELECTION OF EACH OF THE NINE NOMINEES IN PROPOSAL 1

Nominees for Election

David J. Aldrich

Chairman of the Board

Director since: 2000

Age: 63

Committee(s): None

Experience

Mr. Aldrich serves as Chairman of the Board, a position he has held since May 2014. Mr. Aldrich also served as Executive Chairman of the Company from May 2016 to May 2018, Chief Executive Officer from May 2014 to May 2016, and as President and Chief Executive Officer and as a director from April 2000 to May 2014. From September 1999 to April 2000, Mr. Aldrich served as President and Chief Operating Officer. From May 1999 to September 1999, he served as Executive Vice President, and from May 1996 to May 1999, he 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.

Qualifications

We believe that Mr. Aldrich's qualifications to serve as a director include his leadership experience, his strategic decision-making ability, his knowledge of the semiconductor industry, and his in-depth knowledge of Skyworks' business.

Other Public Company Boards

Current

- Belden Inc.
- Acacia Communications, Inc.

Past 5 Years

- None

Christine King

Lead Independent Director

Director since: 2014

Age: 70

Committee(s): Audit, Compensation (Chair)

Experience

Ms. King has been Lead Independent Director since May 2019. Ms. King served as Executive Chairman of QLogic Corporation (a publicly traded developer of high-performance server and storage networking connectivity products) from August 2015 until August 2016, when it was acquired by Cavium, Inc. Previously, she served as a director and as Chief Executive Officer of Standard Microsystems Corporation (a publicly traded developer of silicon-based integrated circuits utilizing analog and mixed-signal technologies) from 2008 until the company's acquisition in 2012 by Microchip Technology, Inc. Prior to Standard

Microsystems, Ms. King was Chief Executive Officer of AMI Semiconductor, Inc., a publicly traded company, from 2001 until it was acquired by ON Semiconductor Corp. in 2008.

Qualifications

We believe that Ms. King's qualifications to serve as a director include her extensive management and operational experience in the high-tech and semiconductor industries as well as her significant strategic and financial expertise.

Other Public Company Boards

Current

- IDACORP, Inc.

Past 5 Years

- Cirrus Logic, Inc. (until 2018)
- QLogic Corporation (until 2016)

Liam K. Griffin*President and Chief Executive Officer***Director since:** 2016**Age:** 53**Committee(s):** None**Experience**

Prior to his appointment as Chief Executive Officer and to the Board of Directors in May 2016, Mr. Griffin had served as President of the Company since May 2014. He served as Executive Vice President and Corporate General Manager from November 2012 to May 2014, Executive Vice President and General Manager, High Performance Analog from May 2011 to November 2012, and Senior Vice President, Sales and Marketing from August 2001 to May 2011. 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.

Qualifications

We believe that Mr. Griffin's qualifications to serve as a director include his strong relationships with Skyworks' key customers, investors, employees, and other stakeholders, as well as a deep understanding of the semiconductor industry and its competitive landscape gained through serving in several different executive positions at Skyworks.

Other Public Company Boards**Current**

- National Instruments Corporation

Past 5 Years

- Vicor Corp. (until 2019)

Alan S. Batey**Director since:** 2019**Age:** 57**Committee(s):** Nominating and Corporate Governance**Experience**

Mr. Batey served as Executive Vice President and President of North America for General Motors Company (a publicly traded automotive manufacturer), as well as the Global Brand Chief for Chevrolet, a division of General Motors Company, from 2014 until 2019. His career spans more than 39 years with General Motors where he held various senior management positions in operations, marketing, and sales around the world.

Qualifications

We believe that Mr. Batey's qualifications to serve as a director include his extensive senior management experience at General Motors, where he developed expertise on a broad set of complex strategic, operational, and technological matters involving the automotive industry, an industry that is expected to be a growth market for the Company. Mr. Batey was identified as a director candidate by a search firm engaged by the Nominating and Corporate Governance Committee.

Other Public Company Boards**Current**

- None

Past 5 Years

- None

Kevin L. Beebe

Director since: 2004

Age: 61

Committee(s): Nominating and Corporate Governance (Chair)

Experience

Mr. Beebe has been President and Chief Executive Officer of 2BPartners, LLC (a partnership that provides strategic, financial, and operational advice to private equity investors and management) since 2007. In 2014, Mr. Beebe became a founding partner of Astra Capital Management (a private equity firm based in Washington, D.C.). Previously, beginning in 1998, he was Group President of Operations at ALLTEL Corporation (a telecommunications services company).

Qualifications

We believe that Mr. Beebe's qualifications to serve as a director include his two decades of experience as an operating executive in the wireless telecommunications industry as well as his experience and relationships gained from advising leading private equity firms that are transacting business in the global capital markets.

Other Public Company Boards

Current

- SBA Communications Corporation
- Frontier Communications Corporation

Past 5 Years

- NII Holdings, Inc. (until 2019)

Timothy R. Furey

Director since: 1998

Age: 61

Committee(s): Audit, Nominating and Corporate Governance

Experience

Mr. Furey has been Chief Executive Officer of MarketBridge (a privately owned digital marketing software and services firm) since 1991. MarketBridge provides digital marketing, predictive analytics, and sales effectiveness solutions to clients that include Fortune 1000 companies in the software, communications, financial services, life sciences, and consumer products sectors. Mr. Furey also serves as Managing Partner of the Technology Marketing Group (which advises and invests in emerging growth

companies in the social media, mobile, and marketing automation markets).

Qualifications

We believe that Mr. Furey's qualifications to serve as a director include his experience as Chief Executive Officer of MarketBridge, as well as his engagements with MarketBridge's clients (many of which are Fortune 1000 companies), which provide him with a broad range of knowledge regarding business operations and growth strategies.

Other Public Company Boards

Current

- None

Past 5 Years

- None

David P. McGlade

Director since: 2005

Age: 59

Committee(s): Audit, Compensation

Experience

Mr. McGlade serves as Chairman of the Board of Intelsat S.A. (a publicly traded worldwide provider of satellite communication services), a position he has held since April 2013. Mr. McGlade served as Executive Chairman of Intelsat from April 2015 to March 2018, prior to which he served as Chairman and Chief Executive Officer. Mr. McGlade joined Intelsat in April 2005 and was the Deputy Chairman of Intelsat from August 2008 until April 2013. 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.

Qualifications

We believe that Mr. McGlade's qualifications to serve as a director include his significant operational, strategic, and financial acumen, as well as his knowledge about global capital markets, developed over his 30 years of experience in the telecommunications business.

Other Public Company Boards

Current

- Intelsat S.A.

Past 5 Years

- None

Robert A. Schriesheim

Director since: 2006

Age: 59

Committee(s): Compensation, Nominating and Corporate Governance

Experience

Mr. Schriesheim currently serves as chairman of Truax Partners LLC (a consulting firm). He served as Executive Vice President and Chief Financial Officer of Sears Holdings Corporation (a publicly traded nationwide retailer) from August 2011 to October 2016. From January 2010 to October 2010, Mr. Schriesheim was Chief Financial Officer of Hewitt Associates, Inc. (a global human resources consulting and outsourcing company that was acquired by Aon Corporation). From October 2006 until December 2009, he was the Executive Vice President and Chief Financial Officer of Lawson Software, Inc. (a publicly traded ERP software provider).

Qualifications

We believe that Mr. Schriesheim's qualifications to serve as a director include his extensive knowledge of the capital markets and corporate financial capital structures, his expertise evaluating and structuring merger and acquisition transactions within the technology sector, and his experience gained through leading companies through major strategic and financial corporate transformations.

Other Public Company Boards

Current

- Frontier Communications Corporation
- Houlihan Lokey, Inc.

Past 5 Years

- Forest City Realty Trust (until 2018)
- NII Holdings, Inc. (until 2019)

Kimberly S. Stevenson

Director since: 2018

Age: 57

Committee(s): Nominating and Corporate Governance

Experience

In January 2020, Ms. Stevenson became Senior Vice President and General Manager, Foundational Data Services Business Unit, at NetApp, Inc. (a publicly traded provider of cloud data services). From February 2019 to January 2020, she was a venture partner at RIDGE-LANE Limited Partners (a strategic advisory and venture development firm). Previously, Ms. Stevenson served as Senior Vice President and General Manager, Data Center Products and Solutions, at Lenovo Group Ltd. (a publicly traded manufacturer of personal computers, data center equipment, smartphones, and tablets) from May 2017 to October 2018. From September 2009 to February 2017, she served as a Corporate Vice President at Intel Corporation (a publicly traded semiconductor designer and manufacturer), holding various positions including

Chief Operating Officer for the Client and Internet of Things Businesses and Systems Architecture Group from September 2016 to February 2017, Chief Information Officer from February 2012 to August 2016, and General Manager, IT Operations and Services, from September 2009 to January 2012.

Qualifications

We believe that Ms. Stevenson's qualifications to serve as a director include her extensive senior management experience in the semiconductor and technology industries and her expertise on best practices within information systems and operational risk management.

Other Public Company Boards

Current

- Boston Private Financial Holdings, Inc.

Past 5 Years

- Riverbed Technology, Inc. (until 2015)

Nine of our currently serving directors have been nominated for election to our Board of Directors to serve until the 2021 Annual Meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal. The table below summarizes the key qualifications and attributes

relied upon by the Board of Directors in nominating our current directors for election. Marks indicate specific areas of focus or expertise relied on by the Board of Directors. The lack of a mark in a particular area does not necessarily signify a director's lack of qualification or experience in such area.

	Aldrich	Batey	Beebe	Furey	Griffin	King	McGlade	Schriesheim	Stevenson
Skills and Experience									
Other Public Company Boards									
<i>Current</i>	2		2		1	1	1	2	1
<i>Past 5 Years</i>			1		1	2		2	1
Executive Leadership									
<i>Public Company CEO</i>	•	•	•	•	•	•	•	•	•
<i>Public Company CFO</i>	•							•	
<i>Other Public Company Executive Officer¹</i>		•	•						
<i>International Business</i>	•	•	•	•	•	•	•	•	•
Finance									
<i>Public Financial Reporting</i>	•				•	•	•	•	
<i>Audit Committee Financial Expert²</i>						•	•		
Manufacturing / Operations									
	•	•			•	•	•		•
Technology									
<i>Semiconductors</i>	•				•	•			•
Sales / Marketing									
		•	•	•	•				
Mergers and Acquisitions									
	•	•	•		•	•	•	•	
Skyworks Board Tenure (in Years)									
	20	<1	16	22	4	6	15	14	2

Demographic Background

Age	63	57	61	61	53	70	59	59	57
Gender									
<i>Male</i>	•	•	•	•	•		•	•	
<i>Female</i>						•			•

¹ Section 16 Officer under applicable SEC rules

² Per designation by Skyworks' Board of Directors of current Audit Committee members

In addition to the information presented above regarding each director's specific experience, qualifications, attributes and skills that led our Board of Directors to conclude that he or she should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty, and adherence

to high ethical standards. They have each demonstrated business acumen, an ability to exercise sound judgment, knowledge of our business and industry, and the willingness to devote the time needed to be an effective director.

Corporate Governance

Stockholder Engagement and Best Practices

The following actions and policies, some of which were adopted in recent years after receiving feedback from our stockholders, demonstrate the commitment of our Board of Directors to robust corporate governance and responsiveness to stockholders:

- all of our directors are elected annually by a majority of votes cast in uncontested elections, and directors can be removed by a majority of shares entitled to vote in the election of directors;
- stockholders who meet the applicable requirements may nominate and include in the Company's proxy materials director nominees, under the "proxy access" provisions in the Company's By-laws;
- our Lead Independent Director provides leadership to the Board of Directors if there is a real or perceived conflict of interest with regard to a particular matter between our Chairman and our Company or our stockholders;
- the Board of Directors voluntarily implemented an amendment to the Company's By-laws to provide a stockholder special meeting right; and
- most recently, the Board of Directors has taken an additional step to refresh its membership, appointing Mr. Batey in August 2019.

Because responsiveness to the Company's stockholders is a critical part of our commitment to corporate governance, we conduct outreach to our stockholders to understand their perspectives on various governance matters. Most recently, we engaged in formal stockholder outreach following the 2019 Annual Meeting at which our stockholders voted to approve a shareholder proposal requesting that the Board of Directors take steps to remove the supermajority provisions in the Company's Restated Certificate of Incorporation, as amended, which we refer to as our Charter. Specifically, in addition to soliciting feedback from institutional stockholders on compensation-related topics related to the vote on our 2019 "Say-on-Pay" proposal, as discussed below under "*Compensation Discussion and Analysis*," we solicited

investors' input regarding whether the Board of Directors should reintroduce for stockholder vote four proposals that had previously been voted upon by stockholders in 2016 and would have eliminated all remaining supermajority voting provisions in the Charter, but had not received sufficient stockholder support. The majority of institutional stockholders with whom we spoke expressed their preference that the four proposals be reintroduced. The Board of Directors considered this input and decided to submit for stockholder vote at the Annual Meeting four proposals that would eliminate supermajority voting provisions in the Charter. In addition, as described further below, the Company has decided to engage in enhanced solicitation of stockholder votes for the Annual Meeting, with the objective of obtaining sufficient votes to approve the proposals.

Our Board of Directors values the opinions expressed by our stockholders and will continue to consider the voting results from stockholder meetings, as well as feedback obtained through our stockholder engagement efforts, when making future decisions regarding corporate governance matters.

Board of Director Meetings

The Board of Directors met five (5) times during fiscal year 2019. During fiscal year 2019, each director attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all committees of the Board of Directors on which he or she served. The Company's policy with respect to directors' attendance at the Annual Meeting is included in our corporate governance guidelines, which are available on the Investor Relations portion of the Company's website at www.skyworksinc.com. At the 2019 Annual Meeting, each director then in office was in attendance, with the exception of Mr. Schriesheim.

Director Independence

Each year, the Board of Directors reviews the relationships that each director has with the Company

and with other parties. Only those directors who do not have any of the categorical relationships that preclude them from being independent within the meaning of the applicable Listing Rules of the Nasdaq Stock Market LLC (the “Nasdaq Rules”) and who the Board of Directors affirmatively determines have no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, are considered to be independent directors. The Board of Directors has reviewed a number of factors to evaluate the independence of each of its members. These factors include its members’ current and historic relationships with the Company and its competitors, suppliers, and customers; their relationships with management and other directors; the relationships their current and former employers have with the Company; and the relationships between the Company and other companies of which a member of the Company’s Board of Directors is a director or executive officer. After evaluating these factors, the Board of Directors has determined that a majority of the members of the Board of Directors, namely, Alan S. Batey, Kevin L. Beebe, Timothy R. Furey, Balakrishnan S. Iyer, Christine King, David P. McGlade, Robert A. Schriesheim, and Kimberly S. Stevenson, do not have any relationships that would interfere with the exercise of independent judgment in carrying out their responsibilities as directors and that each such director is an independent director of the Company within the meaning of applicable Nasdaq Rules.

Corporate Governance Guidelines

The Board of Directors has adopted corporate governance practices to help fulfill its responsibilities to the stockholders in overseeing the work of management and the Company’s business results. These guidelines are intended to ensure that the Board of Directors has the necessary authority and practices in place to review and evaluate the Company’s business operations, as needed, and to make decisions that are independent of the Company’s management. In addition, the guidelines are intended to align the interests of directors and management with those of

the Company’s stockholders. A copy of the Company’s corporate governance guidelines is available on the Investor Relations portion of the Company’s website at www.skyworksinc.com.

In accordance with these corporate governance guidelines, independent members of the Board of Directors of the Company met in executive session without management present four (4) times during fiscal year 2019. The Lead Independent Director served as presiding director for these meetings.

Stockholder Communications

Our stockholders may communicate directly with the Board of Directors as a whole or to individual directors by letter addressed directly to such individual or individuals at the following address:

c/o Skyworks Solutions, Inc.
5221 California Avenue
Irvine, CA 92617
Attention: Secretary

The Company will forward to each director to whom such communication is addressed, and to the Chairman of the Board in his capacity as representative of the entire Board of Directors, any mail received at the Company’s corporate office to the address specified by such director and the Chairman of the Board.

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 through our website 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 by posting any such amendment or waivers on our website pursuant to SEC requirements and Nasdaq Rules.

Executive Officer and Director Stock Ownership Requirements

As described in detail below under “*Compensation Discussion and Analysis*,” we have adopted Executive Officer and Director Stock Ownership programs that require our executive officers (including those Named Executive Officers who are still currently serving as executive officers) and non-employee directors to hold a significant equity interest in Skyworks with the objective of more closely aligning the interests of our executive officers and directors with those of our stockholders. All of our Named Executive Officers and directors have met the stock ownership guidelines as of the date hereof (with the exception of Ms. Stevenson and Mr. Batey, who are not required to comply with the guidelines until the fifth anniversary of their respective appointment to the Board of Directors).

Board Leadership Structure

Our Board of Directors selects the Company’s Chairman of the Board and Chief Executive Officer in the manner it determines to be in the best interests of the Company. Mr. Aldrich, the former Chief Executive Officer of the Company, has served as the Chairman of the Board since May 2014 and, as noted above, is standing for reelection as a non-employee director at the Annual Meeting. Mr. Griffin was appointed by our Board of Directors in May 2016 to succeed Mr. Aldrich as Chief Executive Officer and also to serve as a director, and he is standing for reelection at the Annual Meeting. In May 2014, at the time of Mr. Aldrich’s appointment as Chairman of the Board, our Board of Directors also first appointed an independent director within the meaning of applicable Nasdaq Rules (see above under “*Director Independence*”) to serve as the Lead Independent Director. Ms. King was appointed in May 2019 to be the current Lead Independent Director and is standing for reelection at the Annual Meeting.

The duties of the Lead Independent Director, as set forth in our corporate governance guidelines, include the following:

- presiding at all meetings of the Board of Directors at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- calling meetings of the independent directors, as he or she deems appropriate, and assuring that the independent directors meet independently at least twice each year;
- providing leadership to the Board of Directors if circumstances arise in which the Chairman of the Board may be, or may be perceived to be, in conflict with the interests of the Company and its stockholders with regard to a particular matter;
- facilitating communications and serving as a liaison, when necessary, between the independent directors and the Chairman of the Board and/or the Chief Executive Officer;
- consulting with the Chairman of the Board in the preparation of the schedules, agendas, and information provided to the Board of Directors for each meeting, and ensuring that there is sufficient time at each meeting for discussion of all agenda items;
- retaining independent advisors on behalf of the Board of Directors as the Board of Directors or the independent directors may deem necessary or appropriate; and
- being available for consultation and direct communication upon the reasonable request of major stockholders.

The Board believes our current leadership structure is appropriate and that the duties of the Lead Independent Director appropriately and effectively complement the duties of the Chairman of the Board.

Committees of the Board of Directors

The Board of Directors has a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee.

Audit Committee

We have established an Audit Committee consisting of the following individuals, each of whom the Board of Directors has determined is “independent” within the meaning of applicable Nasdaq Rules and meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”): Mr. Iyer (Chairman), Mr. Furey, Ms. King, and Mr. McGlade. As Mr. Iyer is not a director nominee up for reelection at the Annual Meeting, the Board of Directors intends to appoint a new Audit Committee Chairman following the election of directors at the Annual Meeting.

The primary responsibility of the Audit Committee is the oversight of the quality and integrity of the Company’s financial statements, the Company’s internal financial and accounting processes, and the independent audit process. Additionally, the Audit Committee has the responsibilities and authority necessary to comply with Rule 10A-3 under the Exchange Act. The Audit Committee meets privately with the independent registered public accounting firm, reviews their performance and independence from management, and has the sole authority to retain and dismiss the independent registered public accounting firm. These and other aspects of the Audit Committee’s authority are more particularly described in the Company’s Audit Committee Charter, which the Board of Directors adopted and is reviewed annually by the committee and is available on the Investor Relations portion of our website at www.skyworksinc.com.

The Audit Committee has adopted a formal policy concerning approval of audit and non-audit services to be provided to the Company by its independent registered public accounting firm, KPMG LLP. The

policy requires that all services provided by KPMG LLP, including audit services and permitted audit-related and non-audit services, be preapproved by the Audit Committee. The Audit Committee preapproved all audit and non-audit services provided by KPMG LLP for fiscal year 2019. The Audit Committee met six (6) times during fiscal year 2019.

Audit Committee Financial Expert

The Board of Directors has determined that each of Mr. Iyer (Chairman), Ms. King, and Mr. McGlade meets the qualifications of an “audit committee financial expert” under SEC rules and the qualifications of “financial sophistication” under the applicable Nasdaq Rules, and qualifies as “independent” as defined under the applicable Nasdaq Rules.

Compensation Committee

We have established a Compensation Committee consisting of the following individuals, each of whom the Board of Directors has determined is “independent” within the meaning of applicable Nasdaq Rules: Ms. King (Chairman), Mr. McGlade, and Mr. Schriesheim. The Compensation Committee met five (5) times during fiscal year 2019. The functions of the Compensation Committee include establishing the appropriate level of compensation, including short and long-term incentive compensation of the Chief Executive Officer, all other executive officers, and any other officers or employees who report directly to the Chief Executive Officer. The Compensation Committee also administers Skyworks’ equity-based compensation plans. The Compensation Committee’s authority to grant equity awards to the Company’s executive officers may not be delegated to the Company’s management or others. The Board of Directors has adopted a written charter for the Compensation Committee, and it is available on the Investor Relations portion of the Company’s website at www.skyworksinc.com.

The Compensation Committee has engaged Aon/Radford Consulting (“Aon/Radford”) to assist it in determining the components and amounts of executive compensation. The consultant reports directly to the Compensation Committee, through its Chairman, and the Compensation Committee retains the right to terminate or replace the consultant at any time.

The process and procedures followed by the Compensation Committee in considering and determining executive and director compensation are described below under “*Compensation Discussion and Analysis*.”

Nominating and Corporate Governance Committee

We have established a Nominating and Corporate Governance Committee consisting of the following individuals, each of whom the Board of Directors has determined is “independent” within the meaning of applicable Nasdaq Rules: Mr. Beebe (Chairman), Mr. Batey, Mr. Furey, Mr. Schriesheim, and Ms. Stevenson. The Nominating and Corporate Governance Committee met four (4) times during fiscal year 2019. The Nominating and Corporate Governance Committee is responsible for evaluating and recommending individuals for election or reelection to the Board of Directors and its committees, including any recommendations that may be submitted by stockholders, as well as the evaluation and recommendation of corporate governance policies. The Nominating and Corporate Governance Committee oversees the annual evaluation process for the Board of Directors, each committee, and individual directors, by soliciting from each director his or her assessment of the effectiveness of the Board of Directors, the committees on which he or she serves, and other individual directors. These and other aspects of the Nominating and Corporate Governance Committee’s authority are more particularly described in the Nominating and Corporate Governance Committee Charter, which the Board of Directors adopted and is available on the Investor Relations portion of the Company’s website at www.skyworksinc.com.

Director Nomination Procedures

The Nominating and Corporate Governance Committee evaluates director candidates in the context of the overall composition and needs of the Board of Directors, with the objective of recommending a group that can best manage the business and affairs of the Company and represent the interests of the Company’s stockholders using its diversity of experience. The committee seeks directors who possess certain minimum qualifications, including the following:

- A director must have substantial or significant business or professional experience or an understanding of technology, finance, marketing, financial reporting, international business, or other disciplines relevant to the business of the Company.
- A director (other than an employee-director) must be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Board of Directors or of a Board committee.
- The committee also considers the following qualities and skills, among others, in its selection of directors and as candidates for appointment to the committees of the Board of Directors:
 - economic, technical, scientific, academic, financial, accounting, legal, marketing, or other expertise applicable to the business of the Company;
 - leadership or substantial achievement in their particular fields;
 - demonstrated ability to exercise sound business judgment;
 - integrity and high moral and ethical character;
 - potential to contribute to the diversity of viewpoints, backgrounds, or experiences of the Board of Directors as a whole;
 - capacity and desire to represent the balanced, best interests of the Company as a whole and not primarily a special interest group or constituency;
 - ability to work well with others;
 - high degree of interest in the business of the Company;

- dedication to the success of the Company;
- commitment to the responsibilities of a director; and
- international business or professional experience.

The committee believes that our Board of Directors, taken as a whole, should embody a diverse set of skills, experiences, and backgrounds in order to better inform its decisions. The committee considers age, tenure, gender, race, and ethnicity, in addition to business experience and other specific areas of focus or expertise, in its holistic approach to assessing and identifying director nominees. With respect to the recent director search that culminated with the appointment of Mr. Batey in August 2019, the Nominating and Corporate Governance Committee instructed its retained search firm to include candidates reflecting gender and ethnic diversity in the pool of potential director nominees to be considered by the committee. The committee will also take into account the fact that a majority of the Board of Directors must meet the independence requirements of the applicable Nasdaq Rules. The Company expects that a director's existing and future commitments will not materially interfere with such director's obligations to the Company. For candidates who are incumbent directors, the committee considers each director's past attendance at meetings and participation in and contributions to the activities of the Board of Directors. The committee identifies candidates for director nominees in consultation with the Chief Executive Officer of the Company and the Chairman of the Board, through the use of search firms or other advisors or through such other methods as the committee deems to be helpful to identify candidates. Once candidates have been identified, the committee confirms that the candidates meet all of the minimum qualifications for director nominees set forth above through interviews, background checks, or any other means that the committee deems to be helpful in the evaluation process. The committee then meets to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board of Directors. Based on the results of the

evaluation process, the committee recommends candidates for director nominees for election to the Board of Directors.

Stockholder Nominees

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders provided such stockholders follow the procedures set forth below. The committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether the candidate was recommended by a stockholder or otherwise. Stockholders who wish to nominate director candidates for election at the 2021 Annual Meeting, but who are not to be included in the Company's proxy materials pursuant to the proxy access provisions in our By-laws, may do so in accordance with the provisions of our By-laws by submitting a written recommendation to the Secretary of the Company at the address below no earlier than the close of business on January 6, 2021, and no later than the close of business on February 5, 2021. In the event that the 2021 Annual Meeting is held more than thirty (30) days before or after the first anniversary of the Company's 2020 Annual Meeting, then the required notice must be delivered in writing to the Secretary of the Company at the address below no earlier than 120 days prior to the date of the 2021 Annual Meeting and no later than the later of 90 days prior to the 2021 Annual Meeting or the 10th day following the day on which the public announcement of the date of the 2021 Annual Meeting is first made by the Company. For nominees for election to the Board of Directors proposed by stockholders to be considered, the recommendation for nomination must be in writing and must include the following information:

- name of the stockholder, whether an entity or an individual, making the recommendation;
- a written statement disclosing such stockholder's beneficial ownership of the Company's capital stock;

- name of the individual recommended for consideration as a director nominee;
- a written statement from the stockholder making the recommendation stating why such recommended candidate would be able to fulfill the duties of a director;
- a written statement from the stockholder making the recommendation stating how the recommended candidate meets the independence requirements established by the SEC and the applicable Nasdaq Rules;
- a written statement disclosing the recommended candidate's beneficial ownership of the Company's capital stock; and
- a written statement disclosing relationships between the recommended candidate and the Company that may constitute a conflict of interest.

A stockholder (or a group of up to twenty stockholders) who has owned at least three percent of the Company's outstanding shares of common stock continuously for at least three years, and has complied with the other requirements in the Company's By-laws, may nominate and include in the Company's proxy materials a number of director nominees up to the greater of two individuals or 20% of the Board of Directors. Written notice of a proxy access nomination

for inclusion in our proxy statement for the 2021 Annual Meeting of Stockholders must be submitted to the Secretary of the Company at the address below no earlier than the open of business on December 7, 2020, and no later than the close of business on January 6, 2021. In the event that the 2021 Annual Meeting is held more than thirty (30) days before, or more than sixty (60) days after, the first anniversary of the Company's 2020 Annual Meeting, then the required notice must be delivered in writing to the Secretary of the Company at the address below no earlier than 150 days prior to the date of the 2021 Annual Meeting and no later than the later of 120 days prior to the 2021 Annual Meeting or the 10th day following the day on which the public announcement of the date of the 2021 Annual Meeting is first made by the Company.

Written notice of proxy access nominations and written recommendations for nomination may be sent to the General Counsel and Secretary of the Company via U.S. mail or expedited delivery service to:

Skyworks Solutions, Inc.
5221 California Avenue
Irvine, California 92617

Role of the Board of Directors in Risk Oversight

Our Board of Directors oversees our risk management processes directly and through its committees. Our management team is responsible for risk management on a day-to-day basis. The role of our Board of Directors and its committees is to oversee the risk management activities of our management team. They fulfill this duty by discussing with management the policies and practices utilized by management in assessing and managing risks and providing input on those policies and practices. In general, our Board of Directors oversees risk management activities relating to business strategy, capital allocation, organizational structure, certain operational risks, and acquisitions; our Audit Committee oversees risk management activities related to financial controls, legal and compliance risks, and cybersecurity risk; our Compensation Committee oversees risk management activities relating to our compensation policies and practices as well as management succession planning; and our Nominating and Corporate Governance Committee oversees risk management activities relating to Board composition. Each committee reports to the Board of Directors on a regular basis, including reports with respect to the committee's risk oversight activities as appropriate. For example, the Board of Directors periodically reviews and approves the executive succession plan in consultation with the Compensation Committee and the Chief Executive Officer. In addition, since risk issues often overlap, committees from time to time request that the Board of Directors discuss particular risks.

Our Compensation Committee does not believe that any risks arising from our employee compensation policies and practices are reasonably likely to have a material adverse effect on our company. Our Compensation Committee believes that any such risks are mitigated by:

- The multiple elements of our compensation packages, including base salary, our annual short-term incentive compensation plan and (for our executive officers and other key employees) equity awards that vest (or are issuable) over multiple years and are intended to motivate employees to take a long-term view of our business.
- The structure of our short-term incentive compensation plan (described in greater detail in this Proxy Statement under “*Compensation Discussion and Analysis*”), which is based on (i) a number of different financial and operating performance metrics to avoid employees placing undue emphasis on any particular performance metric at the expense of other aspects of our business, and (ii) performance targets that we believe are appropriately aggressive yet will not require undue risk-taking to achieve. Further, the structure of the short-term incentive compensation plan aids in driving sustained long-term financial performance as the goals and targets from the prior year's plan are significant factors used in determining goals for the current year's plan.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board of Directors currently consists of Ms. King (Chairman), Mr. McGlade, and Mr. Schriesheim. Mr. Beebe and Mr. Furey served on the Compensation Committee until January 30, 2019, when Mr. Schriesheim was appointed to the Compensation Committee. No member of this committee was at any time during fiscal year 2019 an officer or employee of the Company, was formerly an officer of the Company or

any of its subsidiaries, or had any employment relationship with the Company or any of its subsidiaries. No executive officer of the Company has served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director of or member of the Compensation Committee.

Certain Relationships and Related Person Transactions

Other than compensation agreements and other arrangements described below under “*Information About Executive and Director Compensation*,” since September 29, 2018, there has not been a transaction or series of related transactions to which the Company was or is a party involving an amount in excess of \$120,000 and in which any director, executive officer, holder of more than five percent (5%) of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest. In January 2008, the Board of Directors adopted a written related person transaction approval policy, which was amended in November 2018, and which sets forth the Company’s policies and procedures for the review,

approval or ratification of any transaction required to be reported in its filings with the SEC. The Company’s policy with regard to related person transactions is that all related person transactions between the Company and any related person (as defined in Item 404 of Regulation S-K) or their affiliates, in which the amount involved is equal to or greater than \$120,000, be reviewed by the Company’s General Counsel and approved by the Audit Committee. In addition, the Company’s Code of Business Conduct and Ethics requires that employees discuss with the Company’s Compliance Officer any significant relationship (or transaction) that might raise doubt about such employee’s ability to act in the best interest of the Company.

PROPOSAL 2:

Ratification of Independent Registered Public Accounting Firm

The Audit Committee has selected KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2020 and has further directed that management submit the selection of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. KPMG LLP was the independent registered public accounting firm for the Company for fiscal year 2019, and has been the independent registered public accounting firm for the Company since 2002. We are asking the stockholders to ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2020.

Representatives of KPMG LLP are expected to attend the Annual Meeting online. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

Stockholder ratification of the selection of KPMG LLP as the Company's independent registered public

accounting firm is not required by the Company's By-laws or other applicable legal requirements. However, the Audit Committee is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of good corporate practice. The affirmative vote of a majority of the shares present online or represented by proxy at the Annual Meeting and entitled to vote on such matter at the Annual Meeting is required to approve the selection of KPMG LLP as the Company's independent registered public accounting firm. In the event stockholders fail to ratify the appointment, the Audit Committee may reconsider this appointment. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the Company's and stockholders' best interests.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE RATIFICATION OF THE SELECTION OF KPMG LLP AS THE INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR FISCAL YEAR 2020

Audit Fees

KPMG LLP provided audit services to the Company consisting of the annual audit of the Company's 2019 consolidated financial statements contained in the Company's Annual Report on Form 10-K and reviews

of the financial statements contained in the Company's Quarterly Reports on Form 10-Q for fiscal year 2019. The following table summarizes the fees of KPMG LLP billed to the Company for the last two fiscal years.

Fee Category	Fiscal Year 2019 (\$)	% of Total (%)	Fiscal Year 2018 (\$)	% of Total (%)
Audit Fees(1)	2,315,150	93.1	2,479,090	89.9
Audit-Related Fees	—	—	—	—
Tax Fees(2)	170,500	6.9	240,500	8.7
All Other Fees(3)	—	—	38,500	1.4
Total Fees	2,485,650	100	2,758,090	100

- (1) Audit fees consist of fees for the audit of our annual financial statements, review of the interim financial statements included in our quarterly reports on Form 10-Q, statutory audits and related filings in various foreign locations and audit procedures related to acquisition activity during fiscal years 2019 and 2018. Fiscal year 2019 and 2018 audit fees included fees for services incurred in connection with rendering an opinion under Section 404 of the Sarbanes-Oxley Act.
- (2) Tax fees consist of fees for tax compliance, tax advice, and tax planning services. Tax compliance services, which primarily relate to the review of our U.S. tax returns and certain trade and customs forms, accounted for \$160,000 and \$230,000 of the total tax fees for fiscal years 2019 and 2018, respectively.
- (3) All other fees for fiscal year 2018 relate to fees incurred for conflict mineral reporting compliance and licenses to accounting and research software.

In 2003, the Audit Committee adopted a formal policy concerning approval of audit and non-audit services to be provided to the Company by its independent registered public accounting firm, KPMG LLP. The policy requires that all services provided by KPMG LLP, including audit services and permitted

audit-related and non-audit services, be preapproved by the Audit Committee. The Audit Committee preapproved all audit and non-audit services provided by KPMG LLP during fiscal year 2019 and our fiscal year ended September 28, 2018 ("fiscal year 2018").

Report of the Audit Committee

The Audit Committee of Skyworks' Board of Directors is responsible for providing independent, objective oversight of Skyworks' accounting functions and internal controls. Seven different directors served on the Audit Committee for all or part of fiscal year 2019, each of whom is independent within the meaning of applicable Nasdaq Rules and meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act. The Audit Committee operates under a written charter approved by the Board of Directors.

Management is responsible for the Company's internal control and financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of Skyworks' consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report concerning such financial statements. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management and representatives of KPMG LLP, the Company's independent registered public accounting firm, and reviewed and discussed the audited financial statements for fiscal year 2019, results of the internal and external audit examinations, evaluations of the Company's internal controls, and the overall quality of Skyworks' financial reporting. The Audit Committee also discussed with the independent registered public accounting firm the

matters required to be discussed by Auditing Standard No. 1301, "Communications with Audit Committees," issued by the Public Company Accounting Oversight Board. In addition, the Audit Committee has received the written disclosures and the letter from its independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board and the SEC regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence from the Company and its management, including the matters in the written disclosures and letter that were received by the committee from such firm.

Based upon the Audit Committee's review and discussions described above, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Company's Annual Report on Form 10-K for fiscal year 2019, as filed with the SEC.

THE AUDIT COMMITTEE

Balakrishnan S. Iyer, Chairman
Timothy R. Furey
Christine King
David P. McGlade

PROPOSAL 3:

Advisory Vote on the Compensation of Our Named Executive Officers (“Say-on-Pay Vote”)

We are providing our stockholders with the opportunity to vote to approve, on a non-binding basis, the compensation of our Named Executive Officers as described below under “*Information About Executive and Director Compensation*” pursuant to Section 14A of the Exchange Act. As we describe below under “*Compensation Discussion and Analysis*,” our

executive compensation program embodies a pay-for-performance philosophy that supports our business strategy and aligns the interests of our executives with our stockholders.

Our Board of Directors is asking stockholders to approve a non-binding advisory vote on the following resolution:

RESOLVED, that the Company’s stockholders approve, on an advisory basis, the compensation paid to the Company’s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, and any related material disclosed in this Proxy Statement.

As an advisory vote, this proposal is not binding and will not overrule any decision by the Company or the Board of Directors (or any committee thereof), nor will it create or imply any change or addition to the fiduciary duties of the Company or the Board of Directors (or any committee thereof). However, our Compensation Committee and Board of Directors

value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for Named Executive Officers. The next non-binding say-on-pay vote is scheduled to be held at our 2021 Annual Meeting of Stockholders.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS BY VOTING “FOR” PROPOSAL 3

Information About Executive and Director Compensation

Summary and Highlights

Financial Highlights from Fiscal Year 2019

Despite a decrease in overall global demand for our products as a result of the U.S.-China trade war, the Company delivered strong financial results in fiscal year 2019:

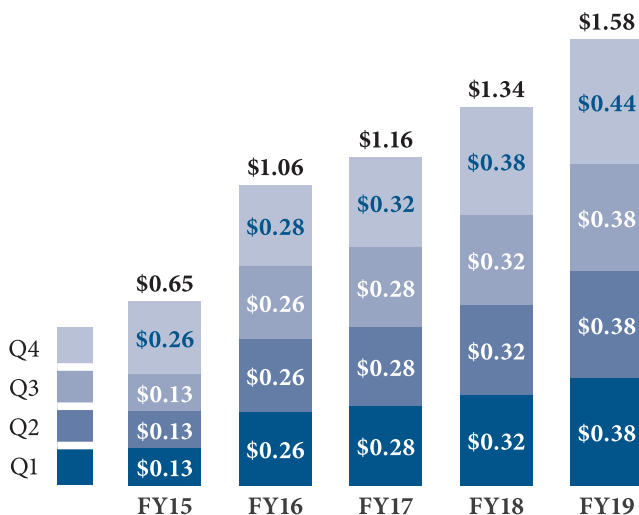
- Achieved net revenue of **\$3.4 billion**
- Achieved operating margin of **28.2%** on a GAAP basis (**34.5%** on a non-GAAP basis)¹
- Achieved diluted earnings per share of **\$4.89** on a GAAP basis (**\$6.17** on a non-GAAP basis)¹
- Generated operating cash flow of **\$1.4 billion**
- Increased our quarterly dividend from **\$0.38** per share to **\$0.44** per share
- Returned **\$932 million** to stockholders through repurchasing **8.9 million** shares of our common stock for **\$658 million** and through payments of **\$274 million** in cash dividends

Other Accomplishments from Fiscal Year 2019

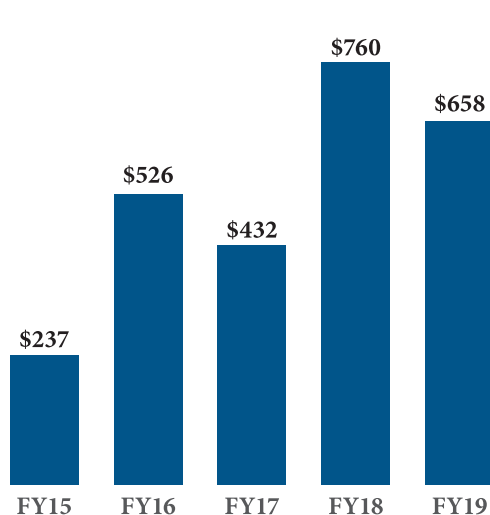
During fiscal year 2019, we broadened our customer set and expanded our suite of applications. Highlights from the year include:

- Accelerated ramp of **Sky5®** portfolio supporting multiple **5G** smartphone launches
- Supported leading wireless **infrastructure** customers with 5G massive MIMO and small cell architectures
- Launched **Wi-Fi 6** solutions with key customers
- Commenced volume production of **BAW-enabled** devices
- Extended reach into **aerospace and defense** markets with the introduction of C-band filters
- Secured design wins from major **automotive** manufacturers for fully integrated connectivity solutions
- Expanded portfolio of **analog SoCs and cognitive chipsets** across numerous wireless gaming headsets

Quarterly Dividends:
Fiscal Years 2015 – 2019



Repurchases under Stock Repurchase Plans:
Fiscal Years 2015 – 2019 (\$M)



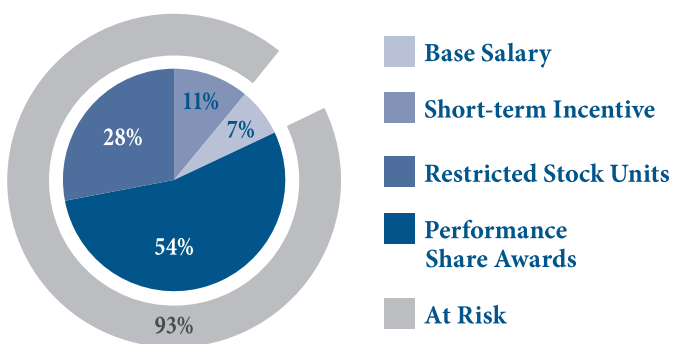
¹ Please see table on page 90 for a full reconciliation of non-GAAP results to GAAP results.

Our Executive Compensation Program Reflects Our Pay-for-Performance Philosophy

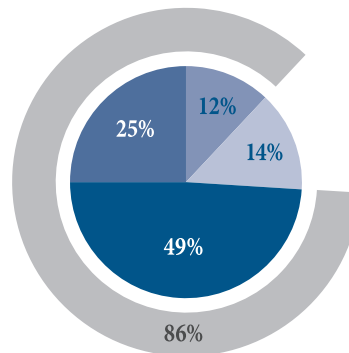
- **Alignment with Stockholder Interests.** We believe that through the combination of our equity-based incentive compensation program and rigorous executive stock ownership guidelines, the interests of our executives are strongly aligned with those of our long-term stockholders—namely, increasing stockholder value over time.
- **High At-Risk Compensation Levels.** The only fixed component of our Named Executive Officers’ annual compensation is base salary. All short-term cash incentive awards and long-term equity incentive awards are tied either to Company performance or to stock price performance. The charts below show the target total direct compensation mix for fiscal year 2019 for our Chief Executive Officer and the average for the other Named Executive Officers. The target total direct compensation mix for fiscal year 2019 reflects actual salary, target short-term incentive award, and the grant date fair value of performance share and restricted stock unit awards.

- **Short-Term Cash Incentives Paid Below Target.** Payments under our short-term incentive plan for fiscal year 2019 were based on achievement of certain revenue and non-GAAP operating income performance metrics. Taking into account the extraordinary and unexpected impact of the U.S.-China trade war, the payment to each Named Executive Officer was equal to 64.5% of the Named Executive Officer’s target incentive, as described below under “Components of Compensation—Short-Term Incentives.”
- **Failure to Achieve Threshold Level under Portion of Performance Share Award Based on Fiscal Year 2019 Performance.** The Named Executive Officers received performance share awards that would vest upon achievement of one-year non-GAAP EBITDA growth and three-year TSR percentile ranking against pre-established targets. The Company’s performance under the one-year non-GAAP EBITDA growth performance metric, measured over fiscal year 2019, failed to achieve the threshold performance goal. As a result, no shares were earned by the Named Executive Officers with respect to such metric. The Company’s performance under the three-year TSR percentile ranking performance metric will be determined following fiscal year 2021.

Chief Executive Officer



Other Named Executive Officers



Compensation Best Practices

What We Do

- ✔ Heavily weight executive compensation toward “at risk,” performance-based compensation
- ✔ Balance short-term and long-term incentive compensation
- ✔ Use multi-year vesting for executive officer equity awards
- ✔ Base half of annual performance share award on three-year relative TSR performance metric
- ✔ Maintain robust stock ownership guidelines for executive officers and non-executive directors
- ✔ Structure our executive officer compensation program to encourage appropriate risk-taking
- ✔ Benchmark pay practices against selected peer companies with whom we compete for executive talent
- ✔ Solicit advice from the Compensation Committee’s independent compensation consultant
- ✔ Hold annual “Say-on-Pay” advisory vote
- ✔ Conduct regular engagement with stockholders on compensation-related topics

What We Don’t Do

- ✘ Guarantee bonus payments or base salary increases
- ✘ Provide single-trigger change-in-control benefits
- ✘ Provide excise tax gross-up payments in connection with a change in control of the Company
- ✘ Provide excessive perquisites to our executive officers
- ✘ Provide retirement or pension benefits to our executive officers that are not available to employees generally
- ✘ Permit hedging or other forms of speculative transactions by employees or directors
- ✘ Permit pledging by employees or directors
- ✘ Allow for the repricing of stock options without stockholder approval
- ✘ Pay dividends or dividend equivalents on unearned performance shares or restricted stock units
- ✘ Include “evergreen” provisions or “liberal” change-in-control definitions in our equity incentive award plans

Compensation Discussion and Analysis

Table of Contents

Named Executive Officers	42	Severance and Change-in-Control Benefits . . .	51
Response to Stockholder Vote on Executive Compensation at 2019 Annual Meeting	42	Executive Officer Stock Ownership Requirements	51
Approach for Determining Form and Amounts of Compensation	42	Prohibition on Hedging and Certain Other Transactions	52
Components of Compensation	44	Compliance with Internal Revenue Code Section 162(m)	52

Named Executive Officers

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 year 2019 as determined under the rules of the SEC. We refer to this group of executive officers as our “Named Executive Officers.” For fiscal year 2019, our Named Executive Officers were:

- Liam K. Griffin, President and Chief Executive Officer;
- Kris Sennesael, Senior Vice President and Chief Financial Officer;
- Carlos S. Bori, Senior Vice President, Sales and Marketing;
- Robert J. Terry, Senior Vice President, General Counsel and Secretary; and
- Peter L. Gammel, Former Chief Technology Officer (retired as Chief Technology Officer and as an executive officer effective as of November 19, 2019).

Response to Stockholder Vote on Executive Compensation at 2019 Annual Meeting

At our 2019 Annual Meeting of Stockholders, approximately 72% of the votes cast approved our “Say-on-Pay” proposal—the annual advisory vote regarding the compensation of the Company’s named executive officers. Although we understood this to mean that stockholders generally approved of our compensation policies and determinations in 2019, we also noted that ISS recommended a vote against our Say-on-Pay proposal and that our proposal received lower stockholder support than in prior years.

In response to these voting results, we engaged in formal stockholder outreach following the 2019 Annual Meeting, soliciting feedback from our top 25 institutional stockholders (not including brokerage firms and quantitative funds who have previously indicated that they do not engage in individual conversations with companies) representing approximately 54% of the Company’s shares outstanding, including a significant portion of those

stockholders who we believed had voted “against” the 2019 Say-on-Pay proposal. Stockholders told us that they appreciated the opportunity to engage with management, and conversations covered a variety of governance and compensation-related topics. During our conversations, most of these institutional stockholders expressed approval of the Company’s strategy, performance, and management, as well as support for the Company’s compensation policies, plan designs, and performance metrics. However, nearly all of the stockholders who had voted against the Say-on-Pay proposal, as well as several of the stockholders who had supported the proposal, indicated a strong preference that the Company provide additional disclosure regarding its performance metrics and achievement against those metrics. Some of the stockholders also noted that their votes had been influenced by ISS’s report which recommended against the Say-on-Pay proposal and highlighted concerns about our disclosure of performance metrics and achievement.

After considering this input from our stockholders and reviewing the disclosure of several of our peer companies, the Company has enhanced its disclosure of performance metrics and achievement, providing additional quantitative disclosure regarding our short-term and long-term incentive award programs.

Approach for Determining Form and Amounts of Compensation

The Compensation Committee, which is composed solely of independent directors within the meaning of applicable Nasdaq Rules, outside directors within the meaning of Section 162(m) of the Internal Revenue Code (“IRC”) (solely for purposes of administering any equity awards that may qualify as grandfathered performance-based compensation), 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 Named Executive Officers, as well as any other executive officers or employees who report directly to the Chief Executive Officer. The Compensation Committee sets compensation for the Named Executive

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

Compensation Program Objectives

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:

- ensuring that our executive compensation program is competitive with a group of companies in the semiconductor industry with which we compete for executive talent;
- 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;
- providing short-term variable compensation that motivates executives and rewards them for achieving Company financial performance targets;
- providing long-term stock-based compensation that aligns the interest of our executives with stockholders by rewarding them for long-term increases in stockholder value; and
- ensuring that our executive compensation program is perceived as fundamentally fair to our employees.

Retention of Compensation Consultant

The Compensation Committee has engaged Aon/Radford to assist in determining the components and amount of executive compensation. Aon/Radford reports directly to the Compensation Committee, through its chairman, 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. In fiscal year 2019, Aon/Radford received \$188,430 for survey data and compensation consulting services to the Compensation Committee.

The Compensation Committee has considered the relationships that Aon/Radford has with the Company, the members of the Compensation Committee and our executive officers, as well as the policies that Aon/Radford has in place to maintain its independence and objectivity, and has determined that Aon/Radford's work for the Compensation Committee has not raised any conflicts of interest. Company management has separately engaged Aon Risk Solutions, an affiliate of Aon/Radford, for risk management and insurance brokerage services. The Company paid \$259,925 to Aon Risk Solutions in fiscal year 2019 for those services. Additionally, Company management has engaged certain affiliates of Aon/Radford in various jurisdictions for consulting and brokerage services unrelated to executive compensation and benefits, for which the Company paid a total of \$23,904 in fiscal year 2019. The Company's management did not seek the Compensation Committee's approval for such engagements with affiliates of Aon/Radford.

Role of Chief Executive Officer

The Compensation Committee also considers the recommendations of the Chief Executive Officer regarding the compensation of the other Named Executive Officers and each of his other direct reports. These recommendations include an assessment of each individual's responsibilities, experience, performance and contribution to the Company's performance, and also generally take into account internal factors such as scope of role 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 2019, the Compensation Committee approved Comparator Group data consisting of a 50/50 blend of (i) Aon/Radford survey data of 14 semiconductor companies (where sufficient data was not available in the Aon/Radford semiconductor survey data for a given executive position, the Comparator Group data also included survey data regarding high-technology companies), and (ii) the “peer” group data for 16 publicly traded semiconductor companies with which the Company competes for executive talent:

- Advanced Micro Devices
- Analog Devices
- Applied Materials
- Broadcom Limited
- KLA-Tencor
- Lam Research
- Marvell Technology
- Maxim Integrated Products
- Microchip Technology
- Micron Technology
- NVIDIA
- ON Semiconductor
- Qorvo
- QUALCOMM
- Texas Instruments
- Xilinx

Use 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, as discussed in further detail below under “*Components of Compensation*.” In addition, in setting fiscal year 2019 compensation, the Compensation Committee sought and received input from Aon/Radford regarding the base salaries for the Chief Executive Officer and each of the other executive officers, the incentive 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 determining the compensation of our Chief Executive Officer for fiscal year 2019, the 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) our Chief Executive Officer’s role relative to the other Named Executive Officers, (iv) input from the full Board of Directors on our Chief Executive Officer’s performance, and (v) the length of our Chief Executive Officer’s service to the Company. Aon/Radford advised the Compensation Committee that the base salary, short-term incentive target opportunity, performance metrics, and equity-based compensation established by the Compensation Committee for fiscal year 2019 were competitive for chief executive officers leading companies of similar size and complexity in the semiconductor industry. Our Chief Executive Officer was not present during the 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 the other Named Executive Officers and each of his other direct reports.

Components of Compensation

The key elements of compensation for our Named Executive Officers are base salary, short-term incentives, long-term stock-based incentives, and health and welfare benefits. For fiscal year 2019, the Compensation Committee sought to make decisions regarding each Named Executive Officer’s base salary, short-term incentive opportunity, and long-term stock-based incentive award that were competitive within the Comparator Group, with consideration given to the

executive's role, responsibility, performance, and length of service. Consistent with our objective of having compensation programs that are considered fair to our employees, the Named Executive Officers are eligible to participate in the Company's medical, dental, vision, insurance, and retirement plans under the same terms as such benefits are offered to other benefits-eligible employees.

Base Salary

Base salaries provide our executive officers with a degree of financial certainty and stability in order to attract and retain their services in a competitive market. The Compensation Committee determines a competitive base salary for each executive officer using the Comparator Group data and input provided by Aon/Radford. In order to provide flexibility in consideration of differences in individual executives' scope of responsibilities, length of service, and performance, the Compensation Committee did not target a specific percentile of the Comparator Group for executive officer salaries; however, the salaries of the executive officers were generally near the median of the Comparator Group. The base salary for fiscal year 2019 for each Named Executive Officer, as reflected in the table below, increased on average 6.9% from the Named Executive Officer's base salary in fiscal year 2018, with increases ranging from 2.0% to 8.9%. Salary increases were based on the market-based salary adjustments recommended by Aon/Radford as well as recommendations by the Chief Executive Officer.

	FY2019 Base Salary (\$)	FY2018 Base Salary (\$)
Liam K. Griffin	980,000	900,000
Kris Sennesael	500,000	460,000
Carlos Bori	431,000	403,000
Robert J. Terry	446,000	413,000
Peter L. Gammel	410,000	402,000

Short-Term Incentives

Overview

Our short-term incentive compensation plan for executive officers is established annually by the Compensation Committee. For fiscal year 2019, the Compensation Committee adopted the Fiscal Year 2019 Executive Incentive Plan (the "Incentive Plan"). The Incentive Plan established short-term incentive awards for fiscal year 2019 for certain officers of the Company, including the Named Executive Officers, based on the Company's achievement of corporate performance goals established at the beginning of the fiscal year. Short-term incentive compensation is intended to motivate and reward executives by tying a significant portion of their total cash compensation to the Company's achievement of pre-established performance goals that are generally one year or less in duration. Pursuant to the Incentive Plan, the Compensation Committee set a range of short-term incentive compensation that could be earned by each executive officer based on the Comparator Group data, which is expressed as a percentage of the executive officer's base salary and which corresponds to the level of achievement of the performance goals.

Incentive Opportunities

For each executive officer, short-term incentive compensation at the "target" level is designed to be near the median short-term incentive compensation of the Comparator Group. After reviewing Comparator Group data, the Compensation Committee increased the target incentive, as a percentage of base salary, for the Chief Financial Officer from 90% for fiscal year 2018 to 100% for fiscal year 2019, and for the Named Executive Officers other than the Chief Executive Officer and Chief Financial Officer from 70% for fiscal year 2018 to 80% for fiscal year 2019. The target incentive, as a percentage of base salary, for the Chief Executive Officer was not increased.

The following table shows the range of short-term incentive compensation that each Named Executive Officer could earn in fiscal year 2019 as a percentage of such executive officer's annual base salary.

	Threshold	Target	Maximum
Chief Executive Officer	80%	160%	320%
Chief Financial Officer	50%	100%	200%
Other Executive Officers	40%	80%	160%

Performance Goals

In November 2018, the Compensation Committee established performance goals for fiscal year 2019 based on achieving certain revenue and non-GAAP operating income performance metrics. Each of these two performance goals was weighted equally (50% each) toward payments under the Incentive Plan. The non-GAAP operating income performance goal is based on the Company's publicly disclosed non-GAAP operating income—which is calculated by excluding from GAAP operating income share-based compensation expense; acquisition-related expenses; amortization of acquisition-related intangibles; settlements, gains, losses, and impairments; restructuring-related charges; and certain deferred executive compensation—after accounting for any incentive award payments, including those to be made under the Incentive Plan.

The target level performance goals established by the Compensation Committee under the Incentive Plan are based on the Company's historical operating results and growth rates as well as the Company's expected future results and are designed to require significant effort and operational success on the part of our executives and the Company to achieve them. The maximum level performance goals established by the Compensation Committee have historically been difficult to achieve and are designed to represent outstanding performance that the Compensation Committee believes should be rewarded.

The performance goals established under the Incentive Plan for fiscal 2019 were as follows (in millions):

Company Metric	Threshold	Target	Maximum
Revenue	\$3,868	\$4,000	\$4,120
Non-GAAP Operating Income	\$1,450	\$1,500	\$1,555

The Incentive Plan stipulated that any payouts to executives, under either of the performance metrics, were conditioned upon the Company achieving a nominal level of non-GAAP operating income of \$1,305 million.

Calculation of Incentive Plan Payments

Following the end of the fiscal year, the Compensation Committee determines the total amount of short-term incentive compensation payable to each executive for such period by comparing the actual level of achievement of each performance goal against the "threshold," "target," and "maximum" levels of achievement that it set for that performance goal. Specifically, the Compensation Committee determines the amount of short-term incentive compensation the executive is eligible to receive with respect to each performance goal as follows:

- If the level of achievement for the performance goal falls below the "threshold" level, then the executive will not earn any short-term incentive compensation with respect to that performance goal.
- If the level of achievement for the performance goal is equal to the "threshold," "target," or "maximum" level, then the executive earns the product obtained by *multiplying* (i) the "threshold," "target," or "maximum" percentage, as applicable, *by* (ii) the executive's base salary during the fiscal year, *by* (iii) the weighting assigned to that performance goal.
- If the level of achievement for the performance goal falls in between either the "threshold" and "target" levels or the "target" and "maximum" levels, the executive would earn short-term incentive compensation equal to the short-term incentive compensation payable at the "threshold" or "target" level, as applicable, *plus* a pro rata amount of the

difference between the short-term incentive compensation payable for the performance goal at the “threshold” and “target” levels or the “target” and “maximum” levels, as applicable.

- If the level of achievement for the performance goal exceeds the “maximum” level, the executive will only earn the amount payable for achievement at the “maximum” level.

Each executive’s payment under the Incentive Plan is calculated by evaluating achievement of each performance goal individually, determining the portion of the total eligible incentive payment earned with respect to each such performance goal, and totaling the resulting amounts. The Compensation Committee retained the discretion to make payments, upon consideration of recommendations by the Chief Executive Officer, even if the threshold performance metrics were not met or if the nominal level of non-GAAP operating income was not met or to make payments in excess of the maximum level if the Company’s performance exceeded the maximum metrics. The Compensation Committee believed it was appropriate to retain this discretion in order to make short-term incentive compensation awards in extraordinary circumstances.

Fiscal Year Results

The Company’s revenue and non-GAAP operating income achieved in fiscal year 2019 were \$3,377 million and \$1,166 million, respectively, resulting in the Company’s failure to meet either the revenue or non-GAAP operating income goals at the “threshold” level or to meet the nominal level of non-GAAP operating income under the Incentive Plan. These financial results reflected the adverse impact of the U.S.-China trade war (the “Trade War”) during fiscal year 2019. In connection with the Trade War, not only did the Company experience an overall reduction in customer demand for its products, but the U.S. Bureau of Industry and Security of the U.S. Department of Commerce also placed Huawei and certain of its affiliates on the Bureau’s Entity List in May 2019 (the “Huawei Ban”). The Huawei Ban

resulted in significantly reduced shipments to, and revenue from, Huawei during the remainder of the fiscal year. The negative effects of the Trade War had not been anticipated by the Compensation Committee when it originally established performance targets for fiscal year 2019.

In November 2019, following the end of the fiscal year, the Compensation Committee determined that the adverse impact of the Trade War (as described above) was outside of management’s control. Given the extraordinary and unexpected nature of such impact, the Compensation Committee waived the condition under the Incentive Plan that the Company achieve a nominal level of non-GAAP operating income and made adjustments to the revenue and non-GAAP operating income metrics of the Incentive Plan. Specifically, after considering a detailed analysis of multiple effects of the Trade War on the Company’s financial results, the Compensation Committee adjusted the Company’s performance metrics, for purposes of calculating payments under the Incentive Plan, to account for \$564 million and \$285 million in estimated revenue and non-GAAP operating income lost by the Company during fiscal year 2019, respectively, as a result of the Trade War. The Company’s revenue and non-GAAP operating income achieved in fiscal year 2019, under the Incentive Plan as adjusted, equated to achievement of 77.7% and 51.3% of the target level, respectively, and resulted in a payment to each Named Executive Officer equal to 64.5% of the Named Executive Officer’s target incentive.

With respect to the Company’s non-executive incentive plans—which originally had performance goals that were, depending on the business unit, either equivalent to or based on the performance goals established under the Incentive Plan—the Compensation Committee elected in February 2019 to make a downward adjustment to the respective performance goals, in order to account for the initial impacts of the Trade War on the Company’s financial performance. These midyear goal adjustments, together with later adjustments related to the Huawei Ban, resulted in

incentive payments to non-executive employees equal to, on average, 78% of the employees' target incentives. The Incentive Plan awards paid to the Named Executive Officers were lower, as a percentage of the target incentive, than the average short-term incentive awards paid to non-executive employees of the Company for fiscal year 2019.

Long-Term Stock-Based Compensation

Overview

The Compensation Committee generally makes long-term stock-based compensation awards to executive officers on an annual basis. Long-term stock-based compensation awards are intended to align the interests of our executive officers with those of our stockholders and to reward our executive officers for increases in stockholder value over periods of time 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 prescheduled Compensation Committee meeting. For fiscal year 2019, the Compensation Committee made awards to each of the Named Executive Officers on November 6, 2018, at a regularly scheduled Compensation Committee meeting.

Fiscal Year 2019 Stock-Based Compensation Awards

In making annual stock-based compensation awards to executive officers for fiscal year 2019, the Compensation Committee first reviewed the Comparator Group grant data by executive position. The Compensation Committee used that data to determine a dollar value equivalent for the long-term equity-based award for each executive officer, targeting awards for fiscal year 2019 that were competitive within the Comparator Group. After setting award levels by position and evaluating the Company's business needs for the attraction and retention of executives and employees as well as internal and external circumstances impacting the Company and its employees, the Compensation Committee also reviewed the Comparator Group data to set the

aggregate number of shares of the Company's common stock that would be made available for annual equity awards to eligible employees of the Company, as a percentage of the total number of the outstanding shares of the Company's common stock.

Sixty percent (60%) of the dollar equivalent value of each executive officer's long-term equity-based award served as the basis for determining a number of performance share awards ("PSAs") to award to the executive using the fair market value of the Company's common stock on the date of such award and an assumption that the Company would achieve the "target" level of performance required to earn the PSA. The remaining forty percent (40%) of the dollar value equivalent served as the basis for determining a number of restricted stock units ("RSUs") to award to the executive using the fair market value of the Company's common stock on the date of such award. The Compensation Committee's rationale for awarding PSAs 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 pre-established performance metrics, and we believe the Compensation Committee's decision to award a portion of the PSAs subject to a performance metric measured over a three-year performance period more closely aligns the executive's interests with those of the Company's stockholders.

FY19 PSAs

The PSAs granted on November 6, 2018 (the "FY19 PSAs"), have both "performance" and "continued employment" conditions that must be met in order for the executive to receive shares underlying the award.

The "performance" condition of the FY19 PSAs compares the non-GAAP EBITDA growth achieved (with respect to 50% of the shares underlying the PSA award) and the total stockholder return, or TSR, percentile ranking achieved with respect to our peer group (with respect to the other 50% of the shares underlying the PSA award) during the applicable

performance period against a range of pre-established targets, as follows:

Company Metric	Threshold	Target	Maximum
1-year Non-GAAP EBITDA Growth (%)	0.0%	3.3%	7.1%
3-year TSR Percentile Ranking	40 th	50 th	90 th

The performance period with respect to the non-GAAP EBITDA growth metric was the Company's fiscal year 2019 and the performance period with respect to the TSR percentile ranking metric is the three-year period comprising the Company's fiscal years 2019, 2020, and 2021. The peer group for purposes of the TSR percentile ranking metric includes each of the companies in the S&P Semiconductor Select Industry Index as of November 6, 2018, but excludes any such company that during the three-year performance period is acquired by or merged with (or enters into an agreement to be acquired by or merged with) another entity.

The number of shares issuable under the FY19 PSAs corresponds to the level of achievement of the performance goals, as follows:

	Performance Achieved		
	Threshold	Target	Maximum
% of Target Level Shares Earned With Respect to Non-GAAP EBITDA Growth Metric	50%	100%	200%
% of Target Level Shares Earned With Respect to TSR Percentile Ranking Metric	50%	100%	300%

Performance in between either the "threshold" and "target" levels or the "target" and "maximum" levels results in the issuance of an interpolated number of shares between the number of shares issuable under the FY19 PSAs at, respectively, the "threshold" and "target" levels or the "target" and "maximum" levels.

The non-GAAP EBITDA growth performance goal is calculated by adding depreciation and amortization to the Company's non-GAAP operating income, as publicly reported in the Company's earnings release

for the applicable period, after making certain adjustments if necessary to account for certain qualifying acquisition or disposition activities.

The "continued employment" condition of the FY19 PSAs provides that, to the extent that the non-GAAP EBITDA growth performance metric was met, 50% of the total shares earned under such metric would vest on the first anniversary of the grant date and the remaining 50% of the total shares earned under such metric would vest on the second anniversary of the grant date, and to the extent that the TSR percentile ranking performance metric was met, 100% of the total shares earned under such metric would vest on the third anniversary of the grant date, provided, in each case, that the executive remains employed by the Company through each such vesting date. In the event of termination by reason of death or permanent disability, the holder of an FY19 PSA (or the holder's estate) would receive any earned but unissued shares that would have been issuable thereunder during the remaining term of the award.

During fiscal year 2018, the base period against which fiscal year 2019 performance was measured, the Company achieved non-GAAP EBITDA of \$1,728 million. During fiscal year 2019, the Company achieved non-GAAP EBITDA of \$1,494 million, failing to achieve the threshold non-GAAP EBITDA growth performance goal. Although the Company's non-GAAP EBITDA for fiscal year 2019 was negatively affected by the Trade War, the Compensation Committee elected not to make an adjustment to the non-GAAP EBITDA Growth performance metric for the FY19 PSAs. As a result, no shares were earned by the executives with respect to the non-GAAP EBITDA growth performance metric, and all FY19 PSAs with respect to such performance metric were cancelled.

In February 2019, the Compensation Committee authorized a supplemental RSU grant to non-executive employees who had received FY19 PSAs (which were granted on the same terms as FY19 PSAs awarded to the Named Executive Officers) in recognition that the threshold non-GAAP EBITDA growth performance

goal under the FY19 PSAs was unlikely to be met as a result of the initial impacts of the Trade War. The Company's executive officers did not receive this supplemental RSU grant.

Currently Outstanding PSAs

As summarized in the table below of PSAs granted since fiscal year 2018 (the first year in which the

Compensation Committee awarded PSAs subject to a performance metric measured over a three-year performance period), achievement of the TSR percentile ranking performance metric under the FY19 PSAs, which is subject to a three-year performance period, will be determined following the conclusion of the Company's fiscal year 2021.

PSA Fiscal Year	Grant Date	Performance Metric	Performance Period	Achieved (% of Target)
FY18	11/7/2017	Non-GAAP EBITDA Growth	FY18	99.8%
FY18	11/7/2017	3-year TSR Percentile Ranking	FY18–FY20	Performance Period in Progress(1)
FY19	11/6/2018	Non-GAAP EBITDA Growth	FY19	0%
FY19	11/6/2018	3-year TSR Percentile Ranking	FY19–FY21	Performance Period in Progress(2)

- (1) As of March 12, 2020, performance under this metric during the applicable performance period is below the “threshold” level of performance.
- (2) As of March 12, 2020, performance under this metric during the applicable performance period is slightly above the “target” level of performance.

Other Compensation and Benefits

We 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. The Company offers medical, dental, vision, life, and disability insurance plans to executive officers under the same terms as such benefits are offered to other benefits-eligible employees. Executive officers are also permitted to participate in the Company's 401(k) Savings and Investment Plan and Employee Stock Purchase Plan under the same terms as other benefits-eligible 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 supplemental executive retirement plan 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.

In previous years, the Company offered executives the opportunity to participate in financial planning

services through a third-party firm at a cost of up to approximately \$19,000 per executive paid by the Company. The Compensation Committee replaced this benefit for fiscal year 2019 with a reimbursement program providing up to an aggregate of \$20,000 to each executive for the purchase of financial planning services, estate planning services, personal tax planning and preparation services, and/or an executive physical. No tax gross-up was provided for such reimbursements. In fiscal year 2019, Messrs. Griffin, Sennesael, Gammel, and Terry received reimbursement in connection with such services.

International Assignment Agreement with Mr. Gammel

In connection with his relocation to Japan, the Company and Mr. Gammel entered into an International Assignment Agreement (the “International Assignment Agreement”), pursuant to which Mr. Gammel received: (a) tax equalization payments, which were intended to leave Mr. Gammel in a net after-tax position substantially equivalent to what he would experience if he were subject only to

U.S. federal and state income taxes during the period of the assignment, (b) payment of, or reimbursement for, certain costs related to his relocation to Japan, including moving expenses, a car allowance, housing costs in Japan, and travel costs to return periodically to the United States, and (c) repatriation relocation benefits at the completion of his assignment.

Severance and Change-in-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 of employment and in connection with terminations of employment under certain circumstances following a change in control. A description of the material terms of our severance and change-in-control arrangements with the Named Executive Officers can be found immediately below and further below under “*Potential Payments Upon Termination or Change in Control.*”

The Compensation Committee 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 non-compete and/or non-solicit covenants for up to two years after termination of employment. Outside of the change-in-control context, each Named Executive Officer is entitled to severance benefits if his employment is involuntarily terminated by the Company without cause and, in the case of the Chief Executive Officer, if he terminates his own employment for good reason (as defined in the Chief Executive Officer’s change-in-control agreement). The level of each Named Executive Officer’s cash severance or other termination benefit is generally tied to his annual base salary and short-term incentive amounts.

Additionally, each Named Executive Officer would receive enhanced severance benefits and accelerated vesting of equity awards if his employment were terminated under certain circumstances in connection with a change in control of the Company. These benefits are described in detail further below under “*Potential Payments Upon Termination or Change in Control.*” The Compensation Committee believes these enhanced severance benefits and accelerated vesting are appropriate because the occurrence, or potential occurrence, of a change-in-control transaction would likely create uncertainty regarding the continued employment of executive officers that typically occurs in a change-in-control context, and such severance benefits and accelerated vesting 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 process. In addition, the 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.

Executive Officer Stock Ownership Requirements

We have adopted Executive Stock Ownership guidelines with the objective of more closely aligning the interests of our executive officers with those of our stockholders. Under the Executive Officer Ownership guidelines, our Chief Executive Officer is required to hold the *lower* of (a) the number of shares with a fair market value equal to six (6) times such executive’s current base salary, or (b) 147,000 shares; and our Senior Vice President and Chief Financial Officer, our Senior Vice President, Sales and Marketing, and our Senior Vice President and General Counsel are each required to hold the *lower* of (a) the number of shares with a fair market value equal to two and one-half (2½) times such executive’s current base salary, or (b) 31,300, 26,900 or 27,900 shares, respectively. For purposes of the Executive Stock Ownership guidelines, the fair market value of the Company’s common stock is the average closing price per share of the Company’s common stock as reported on the Nasdaq Global

Select Market (or if the common stock is not then traded on such market, such other market on which the common stock is traded) for the twelve (12) month period ending with the determination date. All of our Named Executive Officers who remain employed by the Company are in compliance with the stock ownership guidelines as of the date hereof.

Prohibition on Hedging and Certain Other Transactions

We prohibit our directors, officers, and employees (or any of their designees) from directly or indirectly engaging in the following transactions with respect to securities of the Company:

- selling short, including short sales “against the box”;
- buying or selling put or call options; or
- purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of securities of the Company, whether through the use of traded securities, privately negotiated derivative securities or synthetic financial instruments.

In addition, we prohibit our directors, officers, and employees from purchasing Company securities on margin, borrowing against Company securities held in a margin account, or pledging Company securities as collateral for a loan.

Compliance with Internal Revenue Code Section 162(m)

For fiscal years beginning on or before December 31, 2017, certain compensation, including qualified performance-based compensation and compensation paid to our Chief Financial Officer, was not subject to the deduction limit imposed by Section 162(m) of the IRC on annual compensation in excess of \$1 million paid to certain of our executive officers if applicable requirements were met. Pursuant to tax reform legislation enacted at the end of 2017, subject to certain transition rules, for fiscal years beginning after December 31, 2017, including fiscal year 2019 (which began on September 29, 2018), the performance-based compensation exception to the deduction limit under Section 162(m) is no longer available, and compensation paid to our Chief Financial Officer is also subject to the deduction limit. As a result, with the exception of compensation grandfathered pursuant to the transition rules, for such fiscal years the Company will be unable to deduct compensation in excess of \$1 million paid to certain executive officers, as specified under Section 162(m). The Compensation Committee reviews the potential effect of Section 162(m) periodically and uses its judgment to authorize compensation payments that may be subject to the limit when the Compensation Committee believes such payments are appropriate and in the best interests of the Company and its stockholders.

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 2019, fiscal year 2018, and our fiscal year ended September 29, 2017 (“fiscal year 2017”).

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Liam K. Griffin	2019	972,000	11,658,937	—	1,011,257	18,399	13,660,593
President and Chief Executive Officer	2018	894,808	7,150,399	—	1,284,664	12,242	9,342,113
	2017	850,000	5,336,603	1,230,158	1,273,055	12,042	8,701,858
Kris Sennesael	2019	496,000	3,264,443	—	322,467	15,352	4,098,262
Senior Vice President and Chief Financial Officer	2018	456,366	2,491,910	—	369,341	13,075	3,330,692
	2017	425,000	1,289,639	297,268	358,047	235,494	2,605,448
Carlos S. Bori	2019	428,200	3,147,860	—	222,373	12,561	3,810,994
Senior Vice President, Sales and Marketing	2018	398,535	2,491,910	—	251,669	12,346	3,154,460
	2017	356,493	1,245,174	287,025	235,890	31,244	2,155,826
Robert J. Terry(4)	2019	442,700	1,981,920	—	230,112	15,287	2,670,019
Senior Vice President, General Counsel and Secretary	2018	409,054	1,557,371	—	257,914	12,466	2,236,805
Peter L. Gammel(5)	2019	409,200	1,165,835	—	211,538	1,140,824	2,927,397
Former Chief Technology Officer	2018	400,754	1,245,896	—	251,045	389,623	2,287,318
	2017	389,065	978,287	225,523	255,547	73,367	1,921,789

- (1) The amounts in the Stock Awards and Option Awards columns represent the grant date fair values, computed in accordance with the provisions of FASB ASC Topic 718—Compensation—Stock Compensation (“ASC 718”), of stock options, PSAs, and RSUs granted during the applicable fiscal year, without regard to estimated forfeiture rates. For fiscal years 2017, 2018, and 2019, assuming the highest level of performance achievement with respect to the PSAs, the grant date fair values of the Stock Awards would be as follows: Mr. Griffin (FY 2017: \$7,136,568; FY 2018: \$9,216,421; FY 2019: \$14,658,935), Mr. Sennesael (FY 2017: \$1,724,613; FY 2018: \$3,211,920; FY 2019: \$4,104,438), Mr. Bori (FY 2017: \$1,665,160; FY 2018: \$3,211,920; FY 2019: \$3,957,856), Mr. Terry (FY 2018: \$2,007,357; FY 2019: \$2,491,891), and Mr. Gammel (FY 2017: \$1,308,264; FY 2018: \$1,605,873; FY 2019: \$1,465,818). For a description of the assumptions used in calculating the fair value of equity awards in 2019 under ASC 718, see Note 9 of the Company’s financial statements included in the Company’s Annual Report on Form 10-K filed with the SEC on November 14, 2019.
- (2) Reflects amounts paid to the Named Executive Officers pursuant to the executive incentive plan adopted by the Compensation Committee for each year indicated.
- (3) “All Other Compensation” includes the Company’s contributions to the executive’s 401(k) Plan account, the cost of group term life insurance premiums, relocation expenses, tax equalization payments, and financial planning benefits. For fiscal year 2019, it specifically includes \$11,200 in Company contributions to each Named Executive Officer’s 401(k) Plan account, as well as \$135,878 in relocation expenses and \$989,855 in tax equalization payments for Mr. Gammel in connection with the International Assignment Agreement.
- (4) Mr. Terry was not a named executive officer prior to fiscal year 2018.
- (5) Mr. Gammel retired as Chief Technology Officer effective as of November 19, 2019.

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 2019, including incentive awards payable under our Fiscal Year 2019 Executive Incentive Plan.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Stock Or Units (#)(3)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Liam K. Griffin		784,000	1,568,000	3,136,000					
	11/6/2018				36,302	72,604	181,510		7,658,996(4)
	11/6/2018							48,402	3,999,941(5)
Kris Sennesael		250,000	500,000	1,000,000					
	11/6/2018				10,164	20,329	50,822		2,144,506(4)
	11/6/2018							13,552	1,119,937(5)
Carlos S. Bori		172,400	344,800	689,600					
	11/6/2018				9,801	19,603	49,007		2,067,920(4)
	11/6/2018							13,068	1,079,940(5)
Robert J. Terry		178,400	356,800	713,600					
	11/6/2018				6,171	12,342	30,855		1,301,958(4)
	11/6/2018							8,228	679,962(5)
Peter L. Gammel		164,000	328,000	656,000					
	11/6/2018				3,630	7,260	18,150		765,857(4)
	11/6/2018							4,840	399,978(5)

- (1) The amounts shown represent the potential value of awards earned under the Incentive Plan. The amounts actually paid to the Named Executive Officers under the Incentive Plan are shown above in the “Summary Compensation Table” under “Non-Equity Incentive Plan Compensation.” For a more complete description of the Incentive Plan, please see description above under “Components of Compensation—Short-Term Incentives.”
- (2) The amounts shown represent shares potentially issuable pursuant to the FY19 PSAs granted on November 6, 2018, under the Company’s 2015 Long-Term Incentive Plan, as described above under “Components of Compensation—Long-Term Stock-Based Compensation.”
- (3) Represents shares underlying RSU awards granted under the Company’s 2015 Long-Term Incentive Plan. The RSU award vests over four years at a rate of twenty-five percent (25%) per year commencing one year after the date of grant and on each subsequent anniversary of the grant date for the following three years, provided the executive remains employed by the Company through each such vesting date.
- (4) Reflects the grant date fair value of the FY19 PSAs, computed in accordance with the provisions of ASC 718, using (a) a Monte Carlo simulation (which weights the probability of multiple potential outcomes) to value the portion of the award related to TSR percentile ranking, and (b) a price of \$82.64 per share, which was the closing sale price of the Company’s common stock on the Nasdaq Global Select Market on November 6, 2018, to value the portion of the award related to non-GAAP EBITDA growth, assuming performance at the “target” level. For a description of the assumptions used in calculating the fair value of equity awards granted in fiscal year 2019 under ASC 718, see Note 9 of the Company’s financial statements included in the Company’s Annual Report on Form 10-K filed with the SEC on November 14, 2019.
- (5) Reflects the grant date fair value of the RSUs granted on November 6, 2018, computed in accordance with the provisions of ASC 718 using a price of \$82.64 per share, which was the closing price of the Company’s common stock on the Nasdaq Global Select Market on November 6, 2018.

Outstanding Equity Awards at Fiscal Year End Table

The following table summarizes the unvested stock awards and all stock options held by the Named Executive Officers as of the end of fiscal year 2019.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or other Rights that Have Not Vested (\$)(1)
Liam K. Griffin	21,500	10,750(2)	84.89	11/9/2022	46,356(5)	3,591,199	9,290(11)	719,696
	18,250	18,250(3)	64.59	5/11/2023	9,271(6)	718,224	18,151(12)	1,406,158
	13,211	26,422(4)	77.66	11/9/2023	6,500(7)	503,555	18,151(13)	1,406,158
					7,725(8)	598,456		
					18,581(9)	1,439,470		
				48,402(10)	3,749,703			
Kris Sennesael	30,000	10,000(14)	75.22	8/29/2023	11,202(5)	867,819	3,238(11)	250,848
	6,386	6,384(4)	77.66	11/9/2023	3,231(6)	250,306	5,082(12)	393,703
					6,250(15)	484,188	5,082(13)	393,703
					1,866(8)	144,559		
					6,475(9)	501,618		
				13,552(10)	1,049,873			
Carlos S. Bori	1,500	—	60.97	11/10/2021	10,816(5)	837,916	3,238(11)	250,848
	3,894	1,297(2)	84.89	11/9/2022	3,231(6)	250,306	4,900(12)	379,603
	3,083	6,164(4)	77.66	11/9/2023	1,802(8)	139,601	4,900(13)	379,603
					6,475(9)	501,618		
					13,068(10)	1,012,378		
Robert J. Terry	1,483	1,483(2)	84.89	11/9/2022	7,904(5)	612,323	2,023(11)	156,722
	2,253	4,504(16)	75.91	11/10/2023	2,019(6)	156,412	3,085(12)	238,995
					1,316(17)	101,951	3,085(13)	238,995
					4,047(9)	313,521		
					8,228(10)	637,423		
Peter L. Gammel	15,000	5,000(2)	84.89	11/9/2022	8,498(5)	658,340	1,619(11)	125,424
	4,844	4,844(4)	77.66	11/9/2023	1,615(6)	125,114	1,815(12)	140,608
					1,416(8)	109,698	1,815(13)	140,608
					3,237(9)	250,770		
					4,840(10)	374,955		

(1) Reflects a price of \$77.47 per share, which was the closing sale price of the Company's common stock on the Nasdaq Global Select Market on September 27, 2019.

- (2) These options were granted on November 9, 2015, and vested at a rate of twenty-five percent (25%) per year on each anniversary of the grant date until they became fully vested on November 9, 2019.
- (3) These options were granted on May 11, 2016, and vest at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through May 11, 2020.
- (4) These options were granted on November 9, 2016, and vest at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 9, 2020.
- (5) Represents shares issuable under the PSAs granted on November 9, 2016 (on November 10, 2016, for Mr. Terry), under the Company's 2015 Long-Term Incentive Plan (the "FY17 PSAs"). Twenty-five percent (25%) of the shares earned under the FY17 PSAs were issued on each of November 9, 2017, and November 9, 2018, and the remaining fifty percent (50%) of the shares earned were issued on November 9, 2019.
- (6) Represents shares issuable under the PSAs granted on November 7, 2017, under the Company's 2015 Long-Term Incentive Plan (the "FY18 PSAs") with respect to an EBITDA growth performance metric, which was measured over a one-year performance period consisting of the Company's fiscal year 2018. Fifty percent (50%) of the shares earned under the FY18 PSAs with respect to the EBITDA growth performance metric were issued on November 7, 2018, and the remaining fifty percent (50%) of the shares earned with respect to such metric were issued on November 7, 2019.
- (7) Represents shares issuable under an RSU award granted on May 11, 2016, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through May 11, 2020.
- (8) Represents shares issuable under an RSU award granted on November 9, 2016, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 9, 2020.
- (9) Represents shares issuable under an RSU award granted on November 7, 2017, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 7, 2021.
- (10) Represents shares issuable under an RSU award granted on November 6, 2018, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 6, 2022.
- (11) Represents shares issuable under the FY18 PSAs with respect to a TSR percentile ranking performance metric, assuming achievement at the "threshold" level of performance. This portion of the FY18 PSAs, which is subject to a three-year performance period, will be issued on November 7, 2020, to the extent earned and provided that the executive meets the continued employment condition.
- (12) Represents shares issuable under the FY19 PSAs (awarded on November 6, 2018, as described above under "Components of Compensation—Long-Term Stock-Based Compensation") with respect to the non-GAAP EBITDA growth performance metric, assuming achievement at the "threshold" level of performance. This portion of the FY19 PSAs, which originally was scheduled to vest in two equal tranches on November 6, 2019, and November 6, 2020, was cancelled upon the Compensation Committee's determination on November 5, 2019, that the performance condition had not been satisfied.
- (13) Represents shares issuable under the FY19 PSAs with respect to the TSR percentile ranking performance metric, assuming achievement at the "threshold" level of performance. This portion of the FY19 PSAs, which is subject to a three-year performance period as described above, will be issued on November 6, 2021, to the extent earned and provided that the executive meets the continued employment condition.
- (14) These options were granted on August 29, 2016, and vest at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through August 29, 2020.
- (15) Represents shares issuable under an RSU award granted on August 29, 2016, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through August 29, 2020.
- (16) These options were granted on November 10, 2016, and vest at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 10, 2020.
- (17) Represents shares issuable under an RSU award granted on November 10, 2016, under the Company's 2015 Long-Term Incentive Plan. The RSU award vests at a rate of twenty-five percent (25%) per year on each anniversary of the grant date through November 10, 2020.

Option Exercises and Stock Vested Table

The following table summarizes the Named Executive Officers' option exercises and stock award vesting during fiscal year 2019.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Liam K. Griffin	28,750	805,931	53,433	4,188,614
Kris Sennesael	—	—	18,175	1,414,894
Carlos S. Bori	—	—	12,155	964,088
Robert J. Terry	1,750	32,743	8,500	669,267
Peter L. Gammel	4,500	64,913	9,681	758,289

- (1) The value realized on exercise is based on the amount by which the market price of a share of the Company's common stock on the dates of exercise exceeded the applicable exercise price per share of the exercised option.
- (2) The value realized upon vesting is determined by multiplying (a) the number of shares underlying the stock awards that vested, by (b) the closing price of the Company's common stock on the Nasdaq Global Select Market on the applicable vesting date.

Potential Payments Upon Termination or Change in Control

Mr. Griffin

On May 11, 2016, in connection with the appointment of Mr. Griffin as Chief Executive Officer, the Company entered into an amended and restated Change in Control / Severance Agreement with Mr. Griffin (the “Griffin Agreement”). The Griffin Agreement sets out severance benefits that become payable if, while employed by the Company, other than following a change in control, Mr. Griffin either (i) is terminated without cause, or (ii) terminates his employment for good reason. The severance benefits provided to Mr. Griffin under either of these circumstances would consist of: (i) a lump-sum payment equal to two (2) times the sum of (A) his then-current annual base salary immediately prior to such termination and (B) the Bonus Amount (as defined below); (ii) full acceleration of the vesting of all of Mr. Griffin’s outstanding stock options, which stock options would become exercisable for a period of two (2) years after the termination date (but not beyond the expiration of their respective maximum terms), full acceleration of the vesting of all outstanding restricted stock awards, and the right to receive the number of performance shares under outstanding PSAs that are earned but unissued and that he would have earned had he remained employed through the end of the applicable performance period; and (iii) provided he is eligible for and timely elects to continue receiving group medical coverage, certain COBRA continuation for him and his eligible dependents (“COBRA continuation”) for up to fifteen (15) months after the termination date. The Bonus Amount is an amount equal to the greater of (x) the average of the short-term cash incentive awards received for the three (3) years prior to the year in which the termination occurs, and (y) the target annual short-term cash incentive award for the year in which the termination occurs.

The Griffin Agreement also sets out severance benefits that become payable if, within the period of time commencing three (3) months prior to and ending

two (2) years following a change in control, Mr. Griffin’s employment is either (i) terminated by the Company without cause, or (ii) terminated by him for good reason (a “Qualifying Termination”). The severance benefits provided to Mr. Griffin in such circumstances would consist of the following: (i) a lump-sum payment equal to two and one-half (2½) times the sum of (A) his annual base salary immediately prior to the change in control, and (B) the CIC Bonus Amount (as defined below); (ii) all of Mr. Griffin’s then-outstanding stock options would become exercisable for a period of thirty (30) months after the termination date (but not beyond the expiration of their respective maximum terms); and (iii) COBRA continuation for up to eighteen (18) months after the termination date. The CIC Bonus Amount is an amount equal to the greater of (x) the average of the annual short-term cash incentive awards received for the three (3) years prior to the year in which the change of control occurs and (y) the target annual short-term cash incentive award for the year in which the change of control occurs.

The Griffin Agreement also provides that in the event of a Qualifying Termination, Mr. Griffin is entitled to full acceleration of the vesting of all of his outstanding equity awards (including stock options, restricted stock awards, RSU awards, and all earned but unissued performance-based equity awards). At the time of a change in control, all such outstanding equity awards would continue to be subject to the same time-based vesting schedule to which the awards were subject prior to the change in control (including performance-based equity awards that are deemed earned at the time of the change in control as described below). For performance-based equity awards where the change in control occurs prior to the end of the performance period, such awards would be deemed earned as to the greater of (i) the target level of shares for such awards, or (ii) the number of shares that would have been earned pursuant to the terms of such awards based upon performance up through and including the day prior to the date of the change in control. In the event that the successor or surviving company does not

agree to assume, or to substitute for, such outstanding equity awards on substantially similar terms with substantially equivalent economic benefits as exist for such award immediately prior to the change in control, then such awards would accelerate in full as of the change in control.

In the event of Mr. Griffin's death or permanent disability (within the meaning of Section 22(e)(3) of the IRC), the Griffin Agreement provides for full acceleration of the vesting of all then-outstanding equity awards subject to time-based vesting (including stock options, restricted stock awards, RSU awards, and all performance-based equity awards where the performance period has ended and the shares are earned but unissued). The Griffin Agreement also provides that if Mr. Griffin's death or permanent disability occurs prior to the end of the performance period of a performance-based equity award, each such award would be deemed earned as to the greater of (i) the target level of shares for such award, or (ii) the number of shares that would have been earned pursuant to the terms of such award had he remained employed through the end of the performance period, and such earned shares would become vested and issuable to him after the performance period ends. In addition, all outstanding stock options would be exercisable for a period of twelve (12) months following the termination of employment (but not beyond the expiration of their respective maximum terms).

The Griffin Agreement is intended to be exempt from or compliant with Section 409A of the IRC and has an initial two (2) year term from May 11, 2016, and thereafter renews automatically on an annual basis for up to five (5) additional years unless either the Company or Mr. Griffin timely provides a notice of non-renewal to the other prior to the end of the then-current term. The payments due to Mr. Griffin under the Griffin Agreement are subject to potential reduction in the event that such payments would otherwise become subject to excise tax incurred under Section 4999 of the IRC, if such reduction would

result in his retaining a larger amount, on an after-tax basis, than if he had received all of the payments due.

Additionally, the Griffin Agreement requires that Mr. Griffin sign a release of claims in favor of the Company before he is eligible to receive any benefits under the Griffin Agreement and contains a non-solicitation provision applicable to Mr. Griffin while he is employed by the Company and for twelve (12) months following the termination of his employment.

The terms "change in control," "cause," and "good reason" are each defined in the Griffin Agreement. Change in control means, in summary: (i) the acquisition by a person or a group of 40% or more of the outstanding stock of the Company; (ii) a change, without approval by the Board of Directors, of a majority of the Board of Directors of the Company; (iii) the acquisition of the Company by means of a reorganization, merger, consolidation, or asset sale; or (iv) stockholder approval of a liquidation or dissolution of the Company. Cause means, in summary: (i) deliberate dishonesty that is significantly detrimental to the best interests of the Company; (ii) conduct constituting an act of moral turpitude; (iii) willful disloyalty or insubordination; or (iv) incompetent performance or substantial or continuing inattention to or neglect of duties. Good reason means, in summary: (i) a material diminution in his base compensation, authority, duties, responsibilities, or budget over which he retains authority; (ii) a requirement that Mr. Griffin report to a corporate officer or employee instead of reporting directly to the Board of Directors; (iii) a material change in his office location; or (iv) any action or inaction constituting a material breach by the Company of the terms of the agreement.

Messrs. Sennesael, Bori, Gammel, and Terry

The Company entered into Change in Control / Severance Agreements with each of Messrs. Gammel, Sennesael, Bori, and Terry on December 16, 2014, August 29, 2016, November 9, 2016, and November 10, 2016, respectively. Each such Change in

Control / Severance Agreement is referred to herein as a “CIC Agreement.”

Each CIC Agreement sets out severance benefits that become payable if, within the period of time commencing three (3) months prior to and ending twelve (12) months following a change in control, the executive officer’s employment is either (i) terminated by the Company without cause, or (ii) terminated by the executive for good reason (for each such executive, a “Qualifying Termination”). The severance benefits provided to the executive in such circumstances would consist of the following: (i) a lump sum payment equal to one and one-half (1½) times (two (2) times, in the case of Mr. Gammel) the sum of (A) his annual base salary immediately prior to the change in control, and (B) the CIC Bonus Amount; (ii) all of the executive’s then-outstanding stock options would remain exercisable for a period of eighteen (18) months after the termination date (but not beyond the expiration of their respective maximum terms); and (iii) COBRA continuation for up to eighteen (18) months after the termination date.

Each CIC Agreement also provides that in the event of a Qualifying Termination, the executive is entitled to full acceleration of the vesting of all of his outstanding equity awards (including stock options, restricted stock awards, RSU awards, and all earned but unissued performance-based equity awards). At the time of a change in control, all such outstanding equity awards would continue to be subject to the same time-based vesting schedule to which the awards were subject prior to the change in control (including performance-based equity awards that are deemed earned at the time of the change in control as described below). For performance-based equity awards where the change in control occurs prior to the end of the performance period, such awards would be deemed earned as to the greater of (i) the target level of shares for such awards, or (ii) the number of shares that would have been earned pursuant to the terms of such awards based upon performance up through and including the day prior to the date of the change in control. In the event that the successor or surviving company does not

agree to assume, or to substitute for, such outstanding equity awards on substantially similar terms with substantially equivalent economic benefits as exist for such award immediately prior to the change in control, then such awards would accelerate in full as of the change in control.

Each CIC Agreement also sets out severance benefits outside a change in control that become payable if the executive’s employment is terminated by the Company without cause. The severance benefits provided to the executive under such circumstance would consist of the following: (i) in the case of Mr. Gammel, a lump sum payment equal to the sum of (x) his annual base salary, and (y) any short-term cash incentive award then due, and in the case of Messrs. Sennesael, Bori, and Terry, biweekly compensation continuation payments for a period of twelve (12) months, with each such compensation continuation payment being equal to the aggregate payment amount divided by twenty-six (26), where the aggregate payment is equal to the sum of (x) his annual base salary, and (y) any short-term cash incentive award then due; (ii) all then-vested outstanding stock options would remain exercisable for a period of twelve (12) months after the termination date (but not beyond the expiration of their respective maximum terms); and (iii) COBRA continuation coverage for up to twelve (12) months after the termination date.

In the event of the executive’s death or permanent disability (within the meaning of Section 22(e)(3) of the IRC), each CIC Agreement provides for full acceleration of the vesting of all then-outstanding equity awards subject to time-based vesting (including stock options, restricted stock awards, RSU awards, and all performance-based equity awards where the performance period has ended and the shares are earned but unissued). Each CIC Agreement also provides that for a performance-based equity award where the executive’s death or permanent disability occurs prior to the end of the performance period, such award would be deemed earned as to the greater of (i) the target level of shares for such award, or (ii) the number of shares that would have been earned

pursuant to the terms of such award had the executive remained employed through the end of the performance period, and such earned shares would become vested and issuable to the executive after the performance period ends. In addition, all outstanding stock options would remain exercisable for a period of twelve (12) months following the termination of employment (but not beyond the expiration of their respective maximum terms).

Each CIC Agreement is intended to be exempt from or compliant with Section 409A of the IRC and has an initial two (2) year term, and thereafter renews automatically on an annual basis for up to five (5) additional years unless either the Company or the executive timely provides a notice of non-renewal to the other prior to the end of the then-current term. The payments due to each executive under his CIC Agreement are subject to potential reduction in the event that such payments would otherwise become subject to excise tax incurred under Section 4999 of the IRC, if such reduction would result in the executive retaining a larger amount, on an after-tax basis, than if he had received all of the payments due.

Additionally, each CIC Agreement requires that the executive sign a release of claims in favor of the Company before he is eligible to receive any benefits under the agreement. The CIC Agreement for Mr. Gammel contains non-compete and non-solicitation provisions applicable to the executive while he is employed by the Company and for a period of twenty-four (24) months following the termination of his employment. The CIC Agreement for each of Messrs. Sennesael, Bori, and Terry contains non-solicitation provisions applicable to the executive while he is employed by the Company and for a period of twelve (12) months following the termination of his employment.

The terms “change in control,” “cause,” and “good reason” are each defined in the CIC Agreements.

Change in control means, in summary: (i) the acquisition by a person or a group of 40% or more of the outstanding stock of the Company; (ii) a change, without approval by the Board of Directors, of a majority of the Board of Directors of the Company; (iii) the acquisition of the Company by means of a reorganization, merger, consolidation, or asset sale; or (iv) stockholder approval of a liquidation or dissolution of the Company. Cause means, in summary: (i) deliberate dishonesty that is significantly detrimental to the best interests of the Company; (ii) conduct constituting an act of moral turpitude; (iii) willful disloyalty or insubordination; or (iv) incompetent performance or substantial or continuing inattention to or neglect of duties. Good reason means, in summary: (i) a material diminution in the executive’s base compensation, authority, duties, or responsibilities; (ii) a material diminution in the authority, duties, or responsibilities of the executive’s supervisor; (iii) a material change in the executive’s office location; or (iv) any action or inaction constituting a material breach by the Company of the terms of the agreement.

The following table summarizes the payments and benefits that would be made to the Named Executive Officers as of September 27, 2019, in the following circumstances as of such date:

- termination without cause outside of a change in control;
- termination without cause or for good reason in connection with a change in control; and
- in the event of a termination of employment because of death or disability.

The accelerated equity values in the table reflect a price of \$77.47 per share, which was the closing sale price of the Company's common stock on the

Nasdaq Global Select Market on September 27, 2019. The table does not reflect any equity awards made after September 27, 2019.

Name	Benefit	Termination w/o Cause Outside Change in Control (\$)(1)	Termination w/o Cause or for Good Reason, After Change in Control (\$)	Death/Disability (\$)
Liam K. Griffin(2)	Salary and Short-Term Incentive	5,096,000(3)	6,370,000(4)	—
	Accelerated Options	235,060	235,060	235,060
	Accelerated RSUs	6,291,184	6,291,184	6,291,184
	Accelerated PSAs	11,373,526	11,373,526	11,373,526
	Medical	21,612	25,934	—
	TOTAL	23,017,382	24,295,704	17,899,770
Kris Sennesael(2)	Salary and Short-Term Incentive	500,000(5)	1,500,000(6)	—
	Accelerated Options	—	22,500	22,500
	Accelerated RSUs	—	2,180,238	2,180,238
	Accelerated PSAs	—	3,194,708	3,194,708
	Medical	18,853	28,280	—
	TOTAL	518,853	6,925,726	5,397,446
Carlos S. Bori(2)	Salary and Short-Term Incentive	431,000(5)	1,163,700(6)	—
	Accelerated Options	—	—	—
	Accelerated RSUs	—	1,653,597	1,653,597
	Accelerated PSAs	—	3,108,561	3,108,561
	Medical	18,853	28,280	—
	TOTAL	449,853	5,954,138	4,762,158
Robert J. Terry(2)	Salary and Short-Term Incentive	446,000(5)	1,204,200(6)	—
	Accelerated Options	—	7,026	7,026
	Accelerated RSUs	—	1,052,895	1,052,895
	Accelerated PSAs	—	2,038,391	2,038,391
	Medical	18,853	28,280	—
	TOTAL	464,853	4,330,792	3,098,312
Peter L. Gammel(2)	Salary and Short-Term Incentive	410,000(5)	1,476,000(7)	—
	Accelerated Options	—	—	—
	Accelerated RSUs	—	735,423	735,423
	Accelerated PSAs	—	1,596,734	1,596,734
	Medical	18,853	28,280	—
	TOTAL	428,853	3,836,437	2,332,157

- (1) For Mr. Griffin, includes amounts payable pursuant to a termination for good reason outside of a change in control.
- (2) Excludes the value of accrued vacation/paid time off required by law to be paid upon termination.
- (3) Represents an amount equal to two (2) times the sum of (A) Mr. Griffin's annual base salary as of September 27, 2019, and (B) an Incentive Plan payment, which is equal to Mr. Griffin's "target" short-term cash incentive award for fiscal year 2019, since such "target" payout level is greater than the three (3) year average of the actual incentive payments made to Mr. Griffin for fiscal years 2016, 2017, and 2018.
- (4) Represents an amount equal to two and one-half (2½) times the sum of (A) Mr. Griffin's annual base salary as of September 27, 2019, and (B) an Incentive Plan payment, which is equal to Mr. Griffin's "target" short-term cash incentive award for fiscal year 2019, since such "target" payout level is greater than the three (3) year average of the actual incentive payments made to Mr. Griffin for fiscal years 2016, 2017, and 2018.
- (5) Represents an amount equal to the Named Executive Officer's annual base salary as of September 27, 2019.
- (6) Represents an amount equal to one and one-half (1½) times the sum of (A) the Named Executive Officer's annual base salary as of September 27, 2019, and (B) an Incentive Plan payment, which is equal to the Named Executive Officer's "target" short-term cash incentive award for fiscal year 2019, since such "target" payout level is greater than the three (3) year average of the actual incentive payments made to the Named Executive Officer for fiscal years 2016, 2017, and 2018.
- (7) Represents an amount equal to two (2) times the sum of (A) Mr. Gammel's annual base salary as of September 27, 2019, and (B) an Incentive Plan payment, which is equal to Mr. Gammel's "target" short-term cash incentive award for fiscal year 2019, since such "target" payout level is greater than the three (3) year average of the actual incentive payments made to Mr. Gammel for fiscal years 2016, 2017, and 2018.

CEO Pay Ratio

Following is a reasonable estimate, prepared under applicable SEC rules, of the ratio of the annual total compensation of our Chief Executive Officer to the median of the annual total compensation of our other employees. For fiscal year 2019:

- The annual total compensation of our Chief Executive Officer was \$13,660,593.
- The annual total compensation of our median compensated employee was \$21,852.
- Based on the foregoing, we estimate that our Chief Executive Officer's total annual compensation was approximately 625 times that of our median employee.

To determine the median of the annual total compensation of our employees, we applied the following methodology and material assumptions:

- We did not use the de minimis exception to exclude any non-U.S. employees. We have a globally diverse workforce with total headcount of approximately 9,200 as of September 27, 2019, of which approximately 7,000 are located outside the United States, primarily in locations employing large direct labor forces such as Mexico and Singapore where wages are significantly lower than in the United States. The median employee identified within this employee population as of September 27, 2019, is a full-time employee in our Singapore facility.
- To identify the median employee, we used a consistently applied compensation measure that included total taxable earnings paid to our employees in the most recently completed taxable

year in their respective jurisdictions. This included base salary, overtime pay, shift premiums, recognition bonuses, annual cash incentive awards, and long-term stock-based incentive awards. We annualized the compensation of permanent, full-time, and part-time employees who were hired after the beginning of the most recently completed taxable year in their respective jurisdictions.

- Using this consistently applied compensation measure, we identified an employee at the median and calculated such employee's total compensation for fiscal year 2019 in accordance with Item 402(c)(2)(x) of Regulation S-K.
- We did not use any cost-of-living adjustments in identifying the median employee.
- The annual total compensation of our Chief Executive Officer is the amount reported in the "Total" column of our Summary Compensation Table for fiscal year 2019.

We believe our pay ratio presented above is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

Director Compensation

The Board of Directors sets the compensation for the Company's non-employee directors, after receiving the recommendations of the Compensation Committee. In formulating its recommendations, the Compensation Committee seeks and receives input from Aon/Radford related to the amounts, terms and conditions of director cash compensation and stock-based compensation awards, with the goal of establishing non-employee director compensation that is similar to, and competitive with, the compensation of non-employee directors at peer companies in the semiconductor industry.

Cash Compensation

Non-employee directors of the Company are paid, in quarterly installments, an annual retainer of \$70,000 (which increased to \$75,000 as of February 2020). Additional annual retainers for Chairman, Lead Independent Director, and/or committee service (paid in quarterly installments) are as follows: any non-employee Chairman of the Board (\$130,000); the Lead Independent Director, if one has been appointed (\$50,000); the Chairman of the Audit Committee (\$30,000); the Chairman of the Compensation Committee (\$20,000); the Chairman of the Nominating and Governance Committee (\$15,000); non-chair member of Audit Committee (\$12,000, which increased to \$15,000 as of February 2020); non-chair member of Compensation Committee (\$10,000); and non-chair member of Nominating and Corporate Governance Committee (\$5,000, which increased to \$7,500 as of February 2020). In addition, the Compensation Committee continues to retain discretion to recommend to the full Board of Directors that additional cash payments be made to a non-employee director for extraordinary service during a fiscal year.

Equity Compensation

Currently, following each annual meeting of stockholders, each non-employee director who is reelected will receive a grant of RSUs having a value of approximately \$200,000. Any newly appointed non-employee director will receive an initial equity grant of RSUs having a value of approximately \$200,000. The number of shares subject to a non-employee director's initial RSU award or annual award is determined by dividing the approximate value of the award, as stated above, by the average closing price per share of the Company's common stock as reported on the Nasdaq Global Select Market (or if the common stock is not then traded on such market, such other market on which the common stock is traded) for each trading day during the 30 consecutive trading day period ending on, and including, the grant date. Unless otherwise determined by the Board of Directors, (a) a non-employee director's initial equity grant of RSUs will vest in three (3) equal annual installments on the first three anniversaries of the date of grant, and (b) a non-employee director's annual equity grant of RSUs will vest on the first anniversary of the date of grant. In the event of a change in control of the Company, any outstanding options and RSUs awarded under the 2008 Director Long-Term Incentive Plan will become fully exercisable and deemed fully vested, respectively.

No director who is also an employee receives separate compensation for services rendered as a director. Mr. Griffin is currently the only director who is also an employee of the Company.

Director Compensation Table

The following table summarizes the compensation paid to the Company's non-employee directors for fiscal year 2019.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total (\$)
David J. Aldrich, Chairman of the Board	200,000	192,834	392,834
Christine King, Lead Independent Director	117,780	192,834	310,614
David J. McLachlan, Former Lead Independent Director	82,802	—	82,802
Alan S. Batey	7,609	188,949	196,558
Kevin L. Beebe	90,784	192,834	283,618
Timothy R. Furey	86,333	192,834	279,167
Balakrishnan S. Iyer	96,699	192,834	289,533
David P. McGlade	89,667	192,834	282,501
Robert A. Schriesheim	90,000	192,834	282,834
Kimberly S. Stevenson	74,484	192,834	267,318

- (1) The non-employee members of the Board of Directors who held such positions on September 27, 2019, held the following aggregate number of unexercised stock options, unvested RSU awards, and unearned, unvested performance share awards (assuming achievement at the "threshold" level of performance) as of such date:

Name	Number of Securities Underlying Unexercised Options	Number of Shares Subject to Unvested RSUs	Number of Unearned Performance Share Awards that Have Not Vested
David J. Aldrich, Chairman of the Board	137,560	2,294	8,361
Christine King, Lead Independent Director	—	2,294	—
Alan S. Batey	—	2,521	—
Kevin L. Beebe	—	2,294	—
Timothy R. Furey	—	2,294	—
Balakrishnan S. Iyer	—	2,294	—
David P. McGlade	—	2,294	—
Robert A. Schriesheim	—	2,294	—
Kimberly S. Stevenson	—	3,638	—

- (2) Reflects the grant date fair value of 2,294 RSUs granted on May 8, 2019, to each non-employee director elected at the 2019 Annual Meeting of Stockholders, computed in accordance with the provisions of ASC 718 using a price of \$84.06 per share, which was the closing sale price of the Company's common stock on the Nasdaq Global Select Market on May 8, 2019. For Mr. Batey, reflects the grant date fair value of 2,521 RSUs granted on August 29, 2019, upon his initial appointment to the Board of Directors, computed in accordance with the provisions of ASC 718 using a price of \$74.95 per share, which was the closing sale price of the Company's common stock on the Nasdaq Global Select Market on August 29, 2019.

Director Stock Ownership Requirements

We have adopted Director Stock Ownership guidelines with the objective of more closely aligning the interests of our directors with those of our stockholders. The minimum number of shares of the Company's common stock that the Director Stock Ownership guidelines require non-employee directors to hold while serving in their capacity as directors is the director base compensation (currently \$75,000) multiplied by five (5), divided by the fair market value of the Company's common stock (rounded to the nearest 100 shares). For purposes of the Director Stock Ownership guidelines, the fair market value of the

Company's common stock is the average closing price per share of the Company's common stock as reported on the Nasdaq Global Select Market (or if the common stock is not then traded on such market, such other market on which the common stock is traded) for the twelve (12) month period ending with the determination date. All of our directors have met the stock ownership guidelines as of the date hereof (with the exception of Ms. Stevenson and Mr. Batey, who are not required to comply with the guidelines until the fifth anniversary of their respective appointments to the Board of Directors).

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included herein with management, and based on the review and discussions, the Compensation Committee

recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for the 2020 Annual Meeting of Stockholders.

THE COMPENSATION COMMITTEE

Christine King, Chairman
David P. McGlade
Robert A. Schriesheim

PROPOSAL 4:

Approval of Amendment to the 2002 Employee Stock Purchase Plan

The Board of Directors believes it is in the best interest of the Company to encourage stock ownership by employees of the Company. The Company's 2002 Employee Stock Purchase Plan (the "ESPP") affords employees of the Company the opportunity to purchase shares of the Company's common stock at a discount through regular payroll deductions. The Company believes the ESPP enhances its ability to seek and retain the services of highly skilled persons to serve as employees of the Company, and at the same time, encourages employee stock ownership. Under the ESPP, the Company has currently reserved 8.38 million shares of common stock to provide eligible employees with opportunities to purchase shares. As there would be an insufficient number of shares available for continuing the ESPP through the end of fiscal year 2020, on November 5, 2019, the Board of Directors adopted, subject to stockholder approval, an amendment to the ESPP that increases the number of shares of common stock authorized for purchase under the plan from 8.38 million to 9.88 million (the "ESPP Amendment").

We are asking stockholders to approve the ESPP Amendment. Apart from the ESPP Amendment, no other terms or conditions of the ESPP will change. With the approval of the ESPP Amendment by the stockholders, it is the intention of the Company to

have the ESPP continue to qualify as an "employee stock purchase plan" under Section 423 of the IRC, which may provide certain tax benefits to employees as described below. As of March 12, 2020, and without giving effect to the ESPP Amendment, there were 5,309 shares available for future purchase under the ESPP.

In addition, if the ESPP Amendment is approved, the Company intends to continue providing non-U.S. employees with the opportunity to purchase shares of the Company's common stock at a discount pursuant to Skyworks' Non-Qualified Employee Stock Purchase Plan ("NQ ESPP") by taking all necessary action to make available an additional 400,000 shares of common stock under the NQ ESPP, which action is not subject to stockholder approval. If the ESPP Amendment is not approved by the stockholders, the Company will not be able to continue to offer employees an opportunity to participate in the ESPP in the future once the shares that remain available for issuance thereunder are exhausted. Further, if the ESPP Amendment is not approved, the Company will not take any action to increase the number of shares available under the NQ ESPP and will discontinue such plan when the remaining shares available under the NQ ESPP have been exhausted.

Description of the ESPP as Proposed to be Amended

Below is a brief summary of the ESPP, as proposed to be amended. The full text of the ESPP, as proposed to be amended, is attached as *Exhibit A* to the electronic copy of this Proxy Statement that is filed with the Securities and Exchange Commission (accessible via www.sec.gov) and may be accessed from our website, www.skyworksinc.com. In addition, a copy of the ESPP may be obtained from the Secretary of the Company.

The summary of the ESPP set forth below assumes the approval of the ESPP Amendment and is qualified in its entirety by reference to the ESPP as proposed to be amended. As noted above, other than the change to the ESPP proposed to be made by the ESPP Amendment, no other terms or conditions of the ESPP will change.

Eligibility

All employees of the Company and its participating subsidiaries who are employed by the Company at least ten (10) business days prior to the first day of the applicable offering period are eligible to participate in the ESPP, except for (i) any employee whose customary employment is for less than twenty (20) hours per week or for less than five (5) months in any calendar year and (ii) any employee who owns stock representing five percent (5%) or more of the total combined voting power or value of all classes of the Company's common stock. An employee's rights under the ESPP terminate when he or she ceases to be an employee. The Company's non-employee directors are not eligible to participate in the ESPP.

Participation

The number of shares that participants may purchase under the ESPP is discretionary and the value of the Company's common stock purchased by participants under the ESPP will vary based on the fair market value of the Company's common stock on an offering period's commencement date or termination date. Accordingly, the number of shares that will be purchased by our employees and executive officers in the future are not currently determinable.

Offering Periods

The Compensation Committee of the Board of Directors establishes the offering periods; however, an offering period may not extend for more than twenty-four (24) months. Subject to the foregoing, the offering periods will generally consist of six month periods commencing on each August 1 and February 1 and terminating on each January 31 and July 31, respectively.

Purchase Options

On the commencement date of each offering period, the Company will grant to each participant an option to purchase on the termination date of each offering period at the Option Exercise Price (as defined below), that number of full shares of common stock equal to the amount of each participant's accumulated payroll

deductions made during the offering period, up to a maximum of 1,000 shares. This maximum may be increased or decreased as set forth in the ESPP. If the participant's accumulated payroll deductions on the termination date would result in a purchase of more than the maximum allowed under the plan, the excess deductions will be refunded to the participant, without interest.

The Option Exercise Price for each offering period is the lesser of: (i) eighty-five percent (85%) of the fair market value (as defined in the ESPP) of the common stock on the offering commencement date, or (ii) eighty-five percent (85%) of the fair market value of the common stock on the offering termination date, in either case rounded up to the next whole cent. If the participant's accumulated payroll deductions on the last day of the offering period would otherwise enable the participant to purchase common stock in excess of the limitation prescribed under Section 423(b)(8) of the IRC, the excess will be refunded by the Company, without interest.

Option Exercise

Each participant in the ESPP on the termination date of each offering period will be deemed to have exercised his or her option on such date and to have purchased from the Company such number of full shares of common stock reserved for the ESPP as his or her accumulated payroll deductions on such date will pay for at the Option Exercise Price (so long as such participant remained employed at the termination date), subject to the maximums and limitations set forth in the ESPP.

Stock Subject to the ESPP

After giving effect to the ESPP Amendment, an aggregate of 9,880,000 shares of common stock have been authorized for issuance under the ESPP since its inception. If there are any unexercised options granted under the ESPP that expire or terminate or options that cease to be exercisable, the unpurchased shares subject to such option will again be available under the ESPP. If the number of shares of common stock available for any offering period is insufficient to

satisfy the requirements for that offering period, the available shares for that offering period shall be apportioned among participating employees in proportion to their options.

Initial Eligibility and Participation

An eligible employee may enter the ESPP by enrolling and authorizing payroll deductions not later than ten (10) business days before the next commencement date. Unless the participant files a revised authorization, or withdraws from the ESPP, his or her participation under the enrollment on file will continue as long as the ESPP remains in effect.

A participant may withdraw in full from the ESPP prior to the termination date, in which event the Company will refund without interest the entire balance of such participant's deductions not previously used to purchase common stock under the ESPP. Upon termination of the participant's employment because of death, the person(s) entitled to receipt of the common stock and/or cash shall have the right to elect, either (i) to withdraw, without interest, all of the payroll deductions credited to the participant's account under the ESPP, or (ii) to exercise the participant's option for the purchase of shares of common stock on the next offering termination date following the date of the employee's death.

The Company will accumulate and hold for the employee's account the amounts deducted from his or her pay. No interest will be paid thereon.

Deduction Amounts

An employee may authorize payroll deductions from 1% to 10% (in whole number percentages only) of his or her eligible compensation (as defined in the ESPP). An employee may not make any additional payments into such account. Only full shares of common stock may be purchased. Any balance remaining in an employee's account after a purchase will, to the extent not refunded as set forth above, be carried forward to the next offering period. Payroll deductions may not be increased, decreased or suspended by a participant during an offering period.

Termination and Amendment

The ESPP may be terminated at any time by the Company's Board of Directors or, if sooner, when all of the shares of common stock reserved for the ESPP have been purchased. The Compensation Committee or the Board of Directors may from time to time adopt amendments to the ESPP, subject to certain restrictions set forth in the ESPP.

Sale of Stock Purchased Under the ESPP

An employee may sell stock purchased under the ESPP at any time the employee chooses, subject to compliance with Company trading policies, any applicable federal or state securities laws, and subject to certain restrictions imposed under the ESPP.

Administration and Cost

The Company bears all costs of administering and carrying out the ESPP, and the ESPP may be administered by the Compensation Committee, or such other committee as may be appointed by the Board of Directors of the Company.

The Company will indemnify each member of the Board of Directors and the Compensation Committee to the fullest extent permitted by law with respect to any claim, loss, damage or expense (including counsel fees) arising in connection with their responsibilities under the ESPP.

Application of Funds

The proceeds received by the Company from the sale of common stock pursuant to options granted under the ESPP may be used for any corporate purposes, and the Company is not obligated to segregate participating employees' payroll deductions.

Changes in Common Stock

If the Company should subdivide or reclassify the common stock, or should declare thereon any dividend payable in shares of such common stock, or should take any other action of a similar nature affecting such common stock, then the number and class of shares of common stock which may thereafter be optioned (in the aggregate and to any individual participating employee) shall be adjusted accordingly.

Merger or Consolidation

If the Company should merge into or consolidate with another corporation, the Board of Directors may, at its election, either (i) terminate the ESPP and refund without interest the entire balance of each participant's deductions, or (ii) entitle each participant to receive on the offering termination date upon the exercise of such option for each share of common stock as to which such option shall be exercised the securities or property to which a holder of one share of the common stock was entitled upon and at the time of such merger or consolidation. A sale of all or substantially all of the assets of the Company shall be deemed a merger or consolidation for the foregoing purposes.

Federal Income Tax Consequences

The following summarizes certain United States federal income tax considerations for employees participating in the ESPP and certain tax effects to the Company. This summary, however, does not address every situation that may result in taxation. For example, it does not discuss foreign, state, or local taxes, or any of the tax implications arising from a participant's death. This summary is not intended as a substitute for careful tax planning, and each employee is urged to consult with and rely on his or her own advisors with respect to the possible tax consequences (federal, state, local and foreign) of exercising his or her rights under the ESPP.

The amounts deducted from an employee's pay under the ESPP will be included in the employee's compensation subject to United States federal income tax, and the Company will withhold taxes on these amounts. Generally, the employee will not recognize any additional income at the time options are granted pursuant to the ESPP or at the time the employee purchases shares under the ESPP.

If the employee disposes of shares purchased pursuant to the ESPP within two years after the first business

day of the offering period in which the employee acquired such shares, the employee will recognize ordinary compensation income (i.e., not capital gain income) at the time of such disposition in an amount equal to the excess, of the fair market value of the shares on the day the shares were purchased over the amount the employee paid for the shares. In addition, the employee generally will recognize capital gain or loss in an amount equal to the difference between the amount realized upon the sale of the shares and the employee's tax basis in the shares (generally, the fair market value of the shares on the day of purchase). Capital gain or loss recognized on a disposition of shares will be long-term capital gain or loss if the employee's holding period for the shares exceeds one year. The holding period for determining whether the gain or loss realized is short or long term will not begin until the employee has purchased shares under the ESPP.

If the employee disposes of shares purchased pursuant to the ESPP more than two years after the first business day of the offering period in which the employee acquired the shares, the employee will recognize ordinary compensation income at the time of such disposition in an amount equal to the lesser of:

- the excess, if any, of the fair market value of the shares at the time of disposition over the amount the employee paid for the shares; or
- 15% of the fair market value of the shares measured as of the first business day of the offering period in which the shares were purchased.

In addition, the employee generally will recognize capital gain or loss in an amount equal to the difference between the amount realized upon the sale of shares and the employee's tax basis in the shares. Capital gain or loss recognized on a disposition of shares will be long-term capital gain or loss if the employee's holding period for the shares exceeds one year and otherwise will be short-term capital gain or loss.

If the employee disposes of shares purchased pursuant to the ESPP within two years after the first business day of the offering period in which such shares were purchased, the Company generally will be entitled to a deduction for United States federal income tax purposes in an amount equal to the ordinary compensation income recognized by the employee as a result of such disposition. If the employee disposes of

shares purchased pursuant to the ESPP more than two years after the first business day of the offering period in which the employee acquired the shares, the Company will not be entitled to any deduction for United States federal income tax purposes with respect to the options or the shares issued upon their exercise. Any deduction by the Company is subject to the limitations of Section 162(m) of the IRC.

Plan Benefits

New Plan Benefits

Because benefits under the ESPP will depend on employees' elections to participate and the fair market value of the Company's common stock at various future dates, it is not possible to determine the benefits that will be received by executive officers and other employees if the ESPP is approved by the stockholders. Non-employee directors are not eligible to participate in the ESPP.

Existing Plan Benefits

Only employees of the Company and its participating subsidiaries are eligible to participate in the ESPP. Pursuant to SEC rules, the following table sets forth the number of shares subject to stock options granted under the ESPP from September 25, 2002 (when the ESPP was first adopted by the Board of Directors) through the date hereof.

Name	Number of Shares Subject to Stock Options (#)
Liam K. Griffin, President and Chief Executive Officer	12,868
Kris Sennesael, Senior Vice President and Chief Financial Officer	1,078
Carlos S. Bori, Senior Vice President, Sales and Marketing	3,152
Robert J. Terry, Senior Vice President, General Counsel and Secretary	20,498
Peter L. Gammel, Former Chief Technology Officer	5,524
All current executive officers as a group	38,426
All employees (excluding current executive officers) as a group	8,336,265



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE APPROVAL OF THE AMENDMENT TO THE COMPANY'S 2002
EMPLOYEE STOCK PURCHASE PLAN

Equity Compensation Plan Information

As of September 27, 2019, the Company has the following equity compensation plans under which its equity securities were authorized for issuance to its employees and/or directors:

- the 2002 Employee Stock Purchase Plan
- the Non-Qualified Employee Stock Purchase Plan
- the 2005 Long-Term Incentive Plan
- the AATI 2005 Equity Incentive Plan

- the 2008 Director Long-Term Incentive Plan
- the 2015 Long-Term Incentive Plan

Except for the Non-Qualified Employee Stock Purchase Plan (the “Non-Qualified ESPP”), each of the foregoing equity compensation plans was approved by the Company’s stockholders. A description of the material features of the Non-Qualified ESPP is provided below under the heading “*Non-Qualified Employee Stock Purchase Plan.*”

The following table presents information about these plans as of September 27, 2019.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (#) (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (c)
Equity compensation plans approved by security holders	1,273,688(1)	65.38	12,787,571(2)
Equity compensation plans not approved by security holders	—	—	66,367(3)
TOTAL	1,273,688	65.38	12,853,938

- (1) Excludes 1,576,852 unvested shares under restricted stock and RSU awards and 1,095,779 unvested shares under PSAs, which figure assumes achievement of performance goals under the FY19 PSAs at target levels.
- (2) Includes 136,811 shares available for future issuance under the 2002 Employee Stock Purchase Plan, 12,032,017 shares available for future issuance under the 2015 Long-Term Incentive Plan, and 618,743 shares available for future issuance under the 2008 Director Long-Term Incentive Plan. No further grants will be made under the AATI 2005 Equity Incentive Plan or the 2005 Long-Term Incentive Plan.
- (3) Represents shares available under the Non-Qualified ESPP.

Non-Qualified Employee Stock Purchase Plan

The Company maintains the Non-Qualified ESPP to provide employees of the Company and participating subsidiaries with an opportunity to acquire a proprietary interest in the Company through the purchase, by means of payroll deductions, of shares of the Company’s common stock at a discount from the market price of the common stock at the time of

purchase. The Non-Qualified ESPP is intended for use primarily by employees of the Company located outside the United States. Under the plan, eligible employees may purchase common stock through payroll deductions of up to 10% of compensation. The price per share is the lower of 85% of the market price at the beginning or end of each six-month offering period.

INTRODUCTION TO PROPOSALS 5-8:

Elimination of Supermajority Vote Provisions from Our Charter

The Charter currently includes a number of supermajority voting provisions. At the Company's 2016 Annual Meeting, we presented five Company proposals that, if approved by the stockholders, would have removed all existing supermajority voting provisions from the Charter. However, despite the recommendation of the Board of Directors in favor of all five proposals, only one of the five proposals (which required the affirmative vote of only two-thirds of the shares of the Company's outstanding common stock) passed.

Following the approval by our stockholders of a stockholder proposal presented at our 2019 Annual Meeting requesting that the Board of Directors take steps to remove the supermajority provisions in the Charter, we engaged in formal stockholder outreach to solicit institutional stockholders' feedback regarding the reintroduction for stockholder vote of four proposals that did not pass in 2016. The majority of institutional stockholders with whom we spoke expressed their preference that the four proposals be reintroduced.

After taking into consideration the approval by our stockholders of the stockholder proposal in 2019 and the feedback from stockholders following the 2019 Annual Meeting, the Board of Directors has directed that the four proposals that did not pass in 2016 be again presented at the Annual Meeting for stockholder approval. Specifically, our Board of Directors has adopted and approved amendments to our Charter to remove the supermajority voting provisions and to make certain other changes as described below, subject to approval by the Company's stockholders as set forth in the Charter.

The Board of Directors believes that the changes set forth in Proposals 5-8 are advisable and in the best interests of our stockholders. The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has unanimously approved the proposed amendments and declared them to be advisable, and recommends that the

Company's stockholders adopt and approve the proposed amendments.

Different voting standards apply to the various provisions proposed to be amended and, accordingly, different votes are required for the approval of Proposals 5-8, as specified in each proposal below. We are submitting these amendments to our stockholders as separate items so that our stockholders are able to express their views on each amendment separately. None of the proposals is conditioned upon approval of any other proposal; each proposal may be approved or rejected independently.

The Company recognizes the high voting thresholds that must be surpassed in order to approve Proposals 5-8 (80% of shares outstanding, in the case of Proposals 5, 7, and 8, and 90% of shares outstanding, in the case of Proposal 6) and that fewer than 80% of the Company's outstanding shares of common stock were present in person or represented by proxy at our most recent annual meeting. In order to increase the number of shares represented at the Annual Meeting and with the objective of obtaining sufficient votes to approve Proposals 5-8, the Company has engaged its proxy solicitor, D.F. King & Co., to undertake a targeted solicitation of both institutional and retail investors.

The proposals that are approved by our stockholders at the 2020 Annual Meeting will be reflected in a Certificate of Amendment to our Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware following the meeting. Our Board of Directors reserves the right, at any time prior to the effectiveness of the filing of the Certificate of Amendment, to abandon the proposed amendments.

The following description of the proposed amendments to our Charter is a summary and is qualified by the full text of the proposed amendments, which is attached to this Proxy Statement as *Appendix A*.

PROPOSAL 5:

Approval of Amendment to the Charter to Eliminate the Supermajority Vote Provisions Relating to Stockholder Approval of a Merger or Consolidation, Disposition of All or Substantially All of Our Assets, or Issuance of a Substantial Amount of Our Securities

The Charter currently requires, in addition to any other vote required by law, another provision of the Charter, or a contract to which we are party, the affirmative vote of holders of at least 80% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, (a) for the adoption of any agreement for the merger or consolidation of the Company with or into any Other Corporation (as defined in the Charter), or (b) to authorize any sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, of the assets of the Company or any Subsidiary (as defined in the Charter) to any Other Corporation, or (c) to authorize the issuance or transfer by the Company of any Substantial Amount (as defined in the Charter) of securities of the Company in exchange for the securities or assets of any Other Corporation. This supermajority vote is not required if the transaction has been approved by members of the Board of Directors who were directors prior to the time any such Other Corporation involved in the proposed transaction became a Beneficial Owner (as defined in the Charter) of 5% or more of the outstanding shares of stock of the Company entitled to vote for the election of directors. The

Charter also requires the affirmative vote of holders of at least 80% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, to amend the Charter provisions relating to stockholder approval of such a transaction.

If stockholders approve this Proposal 5, the Charter will be amended to eliminate these supermajority voting requirements, and the voting requirement in the future would be the affirmative vote of the holders of at least a majority of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock.

The amendment to the Charter that would be effected by approval of this Proposal 5 is shown in the text of Article ELEVENTH, Paragraphs 1 and 5, of the Charter provisions attached to this Proxy Statement as *Appendix A*.

Vote Required to Approve Proposal 5

Approval of this amendment at the Annual Meeting requires the affirmative vote of the holders of at least 80% of the shares of our outstanding common stock.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE "FOR" THIS PROPOSAL 5

PROPOSAL 6:

Approval of Amendment to the Charter to Eliminate the Supermajority Vote Provisions Relating to Stockholder Approval of a Business Combination with Any Related Person

The Charter currently requires the affirmative vote of holders of at least 90% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, to approve a Business Combination with any Related Person (each as defined in the Charter), in addition to any other vote required by law or the Charter. The Charter also requires the affirmative vote of holders of at least 90% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, to amend the Charter provisions relating to stockholder approval of such a Business Combination.

If stockholders approve this Proposal 6, the Charter will be amended to eliminate these supermajority

voting requirements, and the voting requirement in the future would be the affirmative vote of the holders of at least a majority of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock.

The amendment to the Charter that would be effected by approval of this Proposal 6 is shown in the text of Article TWELFTH, Paragraph 2, and Article TENTH, Paragraph 1(B), subpart (ii), of the Charter provisions attached to this Proxy Statement as *Appendix A*.

Vote Required to Approve Proposal 6

Approval of this amendment at the Annual Meeting requires the affirmative vote of the holders of at least 90% of the shares of our outstanding common stock.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE “FOR” THIS PROPOSAL 6

PROPOSAL 7:

Approval of Amendment to the Charter to Eliminate the Supermajority Vote Provision Relating to Stockholder Amendment of Charter Provisions Governing Directors

The Charter currently requires the affirmative vote of holders of at least 80% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, to amend the Charter provisions governing the duties, number, term, election, removal, and liability of our directors.

If stockholders approve this Proposal 7, the Charter will be amended to eliminate this supermajority voting requirement, and the voting requirement in the future would be the affirmative vote of the holders of at least a majority of the shares of all classes of our stock

entitled to vote for the election of directors, considered for this purpose as one class of stock.

The amendment to the Charter that would be effected by approval of this Proposal 7 is shown in the text referring to Article SEVENTH within Article TENTH, Paragraph 1(B), subpart (i), of the Charter provisions attached to this Proxy Statement as *Appendix A*.

Vote Required to Approve Proposal 7

Approval of this amendment at the Annual Meeting requires the affirmative vote of the holders of at least 80% of the shares of our outstanding common stock.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE "FOR" THIS PROPOSAL 7

PROPOSAL 8:

Approval of Amendment to the Charter to Eliminate the Supermajority Vote Provision Relating to Stockholder Amendment of the Charter Provision Governing Action by Stockholders

The Charter currently requires the affirmative vote of holders of at least 80% of the shares of all classes of our stock entitled to vote for the election of directors, considered for this purpose as one class of stock, to amend the Charter provision requiring that an action taken by stockholders be effected at an annual or special meeting, and not by written consent.

If stockholders approve this Proposal 8, the Charter will be amended to eliminate this supermajority voting requirement, and the voting requirement in the future would be the affirmative vote of the holders of at least a majority of the shares of all classes of our stock

entitled to vote for the election of directors, considered for this purpose as one class of stock.

The amendment to the Charter that would be effected by approval of this Proposal 8 is shown in the text referring to Article THIRTEENTH within Article TENTH, Paragraph 1(B), subpart (i), of the Charter provisions attached to this Proxy Statement as *Appendix A*.

Vote Required to Approve Proposal 8

Approval of this amendment at the Annual Meeting requires the affirmative vote of the holders of at least 80% of the shares of our outstanding common stock.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE "FOR" THIS PROPOSAL 8

PROPOSAL 9:

Stockholder Proposal Regarding Right to Act by Written Consent

In accordance with SEC rules, we have set forth below a stockholder proposal from Mr. John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278. Mr. Chevedden has notified us that he is the beneficial owner of 50 shares of the Company's common stock and that he intends to present the following proposal at the Annual Meeting. The stockholder proposal will be voted upon at the Annual

Meeting if properly presented. The text of the stockholder's resolution and the statement the stockholder furnished to us in support thereof appear below, exactly as submitted. The stockholder proposal includes some assertions the Company believes are incorrect. The Company assumes no responsibility for the content or accuracy of the proposal.

Proposal 9 – Right to Act by Written Consent

Shareholders request that our board of directors take the steps necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to give shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any appropriate topic for written consent.

Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director. Hundreds of major companies enable shareholder action by written consent. This proposal topic won majority shareholder support at 13 large companies in a single year. This included 67%-support at both Allstate and Sprint. This proposal topic would have received a still higher vote than 67% at Allstate and Sprint if more shareholders had access to independent proxy voting advice.

This is an additional proposal to improve the governance of our company in the spirit of the 2019 shareholder proposal for a simple majority vote standard in shareholder elections which received 96% support from Skyworks Solutions shareholders.

The right for shareholders to act by written consent is gaining acceptance as a more important right than the right to call a special meeting. This seems to be the conclusion of the Intel Corporation (INTC) shareholder vote at the 2019 Intel annual meeting.

The directors at Intel apparently thought they could divert shareholder attention away from written consent by making it less difficult for shareholders to call a special meeting. However Intel shareholders responded with greater support for written consent in 2019 compared to 2018.

Plus a proxy advisor has set certain minimum requirements for a company adopting written consent in case management is tempted to adopt a "fig leaf" version of written consent.

This proposal topic received 45%-support at The Bank of New York Mellon Corporation (BK) in 2018 and then BK said it adopted written consent in 2019. This proposal topic also won 63%-support at Cigna Corp. (CI) in 2019. At Capital One Financial Corporation (COF) support for this topic increased from 44% in 2017 to 56% in 2019.

Please vote yes:

Right to Act by Written Consent – Proposal 9

Statement of Opposition by the Board of Directors

The Board of Directors has carefully reviewed and considered the stockholder’s proposal and believes it is not in the best interests of the Company’s stockholders. The Board of Directors recommends a vote AGAINST the proposal for the following reasons:

Our stockholders are currently allowed to propose any proper matter for a vote either through a special meeting or at our annual meeting

Permitting action at a meeting of stockholders, whether the annual meeting or a special meeting, is a more transparent and equitable process for stockholders than the written consent process, as it provides all stockholders with the opportunity to consider, deliberate, and vote on proposed stockholder actions. Our governing documents provide protections, such as advance notice to all stockholders, to ensure that business conducted at all annual and special meetings is orderly and well informed. In contrast, enabling a limited group of stockholders to act by written consent would disenfranchise our stockholders who are not given the chance to participate, depriving them of their important rights of engaging with the Board of Directors and with each other to understand alternative points of view that may be in the best interests of stockholders.

Action by written consent, as proposed by the proponent, may cause substantial confusion and disruption

The Board of Directors believes that the right of stockholders to act by written consent is not part of an appropriate corporate governance model for a widely held public company. Permitting stockholder action by written consent would not only allow a small group of stockholders to initiate action with no prior notice to other stockholders or to the Company, but could also result in multiple, even conflicting, written consent proposals being solicited simultaneously by multiple stockholder groups. Stockholders advocating action by written consent have no fiduciary duties to other stockholders, no accountability beyond their own internal stakeholders, and no incentive to avoid the potential duplication, confusion, and disruption associated

with written consent proposals. In fact, a written consent right could allow stockholders with special interests, including those who may accumulate a short-term voting position through the borrowing of shares, to undermine the long-term strategic direction established by the Board of Directors and to subvert the best interests of the Company and its stockholders.

The Board of Directors has long maintained high standards of corporate governance through practices that protect the rights of our stockholders

The Board of Directors is committed to sound principles of corporate governance, as described throughout this proxy statement. For example, our governing documents provide: (1) stockholders with the right to call a special meeting, (2) that all directors are elected annually, (3) a majority vote standard to elect directors, and (4) “proxy access,” whereby eligible stockholders may nominate their own director nominees to be included in the Company’s proxy materials. Furthermore, as described in Proposals 5-8 above, the Board of Directors is recommending that stockholders approve amendments to our Charter that would eliminate applicable supermajority voting provisions therein. Our robust corporate governance framework makes the proponent’s proposal unnecessary.

In addition to regular formal engagement with our institutional stockholders, we maintain open lines of communication by which all stockholders are permitted to communicate directly with members of our Board of Directors

As described in this Proxy Statement, we have established a process by which our stockholders may communicate directly with members of the Company’s Board of Directors throughout the year on any topics of interest.

For these reasons, the Board of Directors considers the proponent’s proposal calling for action by written consent without prior notice to all stockholders not to be in the best interests of the Company’s stockholders.



THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE
“AGAINST” THE STOCKHOLDER PROPOSAL

Security Ownership of Certain Beneficial Owners and Management

To the Company's knowledge, the following table sets forth the beneficial ownership of the Company's common stock as of March 12, 2020, by the following individuals or entities: (i) each person or entity who beneficially owns five percent (5%) or more of the outstanding shares of the Company's common stock as of March 12, 2020; (ii) the Named Executive Officers (as defined above under "Information About Executive and Director Compensation"); (iii) each director and nominee for director; and (iv) all current executive officers and directors of the Company, as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, is not necessarily indicative of beneficial ownership for any other purpose, and does not constitute an admission that the named

stockholder is a direct or indirect beneficial owner of those shares. As of March 12, 2020, there were 169,562,821 shares of the Company's common stock issued and outstanding.

In computing the number of shares of Company common stock beneficially owned by a person and the percentage ownership of that person, shares of Company common stock that are subject to stock options or other rights held by that person that are currently exercisable or that will become exercisable within sixty (60) days of March 12, 2020, are deemed outstanding. These shares are not, however, deemed outstanding for the purpose of computing the percentage ownership of any other person.

Names and Addresses of Beneficial Owners(1)	Number of Shares Beneficially Owned(2)	Percent of Class
The Vanguard Group, Inc.	18,909,311(3)	11.15%
BlackRock, Inc.	13,702,500(4)	8.08%
Capital Research Global Investors	8,802,918(5)	5.19%
David J. Aldrich	170,872(6)	(*)
Alan S. Batey	—	(*)
Kevin L. Beebe	57,567	(*)
Carlos S. Bori	42,463(6)	(*)
Timothy R. Furey	21,118	(*)
Peter L. Gammel	—	(*)
Liam K. Griffin	101,884(6)	(*)
Balakrishnan S. Iyer	22,726	(*)
Christine King	19,332	(*)
David P. McGlade	72,092	(*)
Robert A. Schriesheim	76,167	(*)
Kris Sennesael	72,679	(*)
Kimberly S. Stevenson	2,967	(*)
Robert J. Terry	15,812(6)	(*)
All current directors and executive officers as a group (14 persons)	685,917(6)	(*)

* Less than 1%

(1) Unless otherwise set forth in the following notes, each person's address is the address of the Company's principal executive offices at Skyworks Solutions, Inc., 20 Sylvan Road, Woburn, MA 01801, and stockholders have sole voting

and sole investment power with respect to the shares, except to the extent such power may be shared by a spouse or otherwise subject to applicable community property laws.

- (2) Includes the number of shares of Company common stock subject to stock options held by that person that are currently exercisable or will become exercisable within sixty (60) days of March 12, 2020 (the “Current Options”), as follows: Mr. Bori—12,856 shares under Current Options; Mr. Griffin—18,250 shares under Current Options; Mr. Sennesael—39,578 shares under Current Options; current directors and executive officers as a group (14 persons)—70,684 shares under Current Options. Also includes the number of shares of Company common stock to be issued upon the vesting of restricted stock units within sixty (60) days of March 12, 2020 (the “Vesting RSUs”), as follows: Mr. Aldrich—2,294 shares under Vesting RSUs; Mr. Beebe—2,294 shares under Vesting RSUs; Mr. Furey—2,294 shares under Vesting RSUs; Mr. Griffin—6,500 shares under Vesting RSUs; Mr. Iyer—2,294 shares under Vesting RSUs; Ms. King—2,294 shares under Vesting RSUs; Mr. McGlade—2,294 shares under Vesting RSUs; Mr. Schriesheim—2,294 shares under Vesting RSUs; Ms. Stevenson—2,294 shares under Vesting RSUs; current directors and executive officers as a group (14 persons)—29,278 shares under Vesting RSUs.

The table does not reflect the number of shares of Company common stock to be issued pursuant to unvested restricted stock units (the “Unvested RSUs”) that are not scheduled to vest within sixty (60) days of March 12, 2020, as follows: Mr. Batey—2,521 shares under Unvested RSUs; Mr. Bori—41,152 shares under Unvested RSUs; Mr. Griffin—93,068 shares under Unvested RSUs; Mr. Sennesael—51,848 shares under Unvested RSUs; Ms. Stevenson—1,344 shares under Unvested RSUs; Mr. Terry—32,216 shares under Unvested RSUs; current directors and executive officers as a group (14 persons)—250,390 shares under Unvested RSUs.

- (3) Consists of shares beneficially owned by The Vanguard Group, Inc. (“Vanguard”), which has sole voting power with respect to 252,011 shares, shared voting power with respect to 45,766 shares, sole dispositive power with respect to 18,624,467 shares and shared dispositive power with respect to 284,844 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of Vanguard, is the beneficial owner of 193,126 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly owned subsidiary of Vanguard, is the beneficial owner of 147,691 shares as a result of its serving as investment manager of Australian investment offerings. With respect to the information relating to Vanguard, the Company has relied on information supplied by Vanguard on a Schedule 13G/A filed with the SEC on February 12, 2020. The address of Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.
- (4) Consists of shares beneficially owned by BlackRock, Inc. (“BlackRock”), in its capacity as a parent holding company of various subsidiaries under Rule 13d-1(b)(1)(ii)(G). In its capacity as a parent holding company or control person, BlackRock has sole voting power with respect to 11,762,673 shares and sole dispositive power with respect to 13,702,500 shares which are held by the following of its subsidiaries: BlackRock Life Limited, BlackRock International Limited, BlackRock Advisors, LLC, BlackRock (Netherlands) B.V., BlackRock Institutional Trust Company, National Association, BlackRock Asset Management Ireland Limited, BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Deutschland AG, BlackRock (Luxembourg) S.A., BlackRock Investment Management (Australia) Limited, BlackRock Advisors (UK) Limited, BlackRock Fund Advisors, BlackRock Asset Management North Asia Limited, BlackRock (Singapore) Limited, and BlackRock Fund Managers Ltd. With respect to the information relating to BlackRock and its affiliated entities, the Company has relied on information supplied by BlackRock on a Schedule 13G/A filed with the SEC on February 6, 2020. The address of BlackRock is 55 East 52nd Street, New York, NY 10055.
- (5) Consists of shares beneficially owned by Capital Research Global Investors (“Capital Research”), a division of Capital Research and Management Company. Capital Research has sole voting power and sole dispositive power with respect to 8,802,918 shares. With respect to the information relating to Capital Research, the Company has relied on information supplied by Capital Research on a Schedule 13G/A filed with the SEC on February 14, 2019. The address of Capital Research is 333 South Hope Street, Los Angeles, CA 90071.
- (6) Includes shares held in the Company’s 401(k) Savings and Investment Plan as of March 12, 2020.

Other Proposed Action

As of the date of this Proxy Statement, the directors know of no other business that is expected to come before the Annual Meeting. However, if any other business should be properly presented to the Annual

Meeting, the persons named as proxies will vote in accordance with their judgment with respect to such matters.

Other Matters

Delinquent Section 16(a) Reports

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 fiscal year 2019, we believe that all Section 16(a) filing requirements applicable to our

directors, executive officers and beneficial owners of more than 10% of the Company's common stock with respect to such fiscal year were timely made, with the exception of two late Form 4 filings made by Mr. Furey: the first on June 18, 2019, to report a transaction dated as of June 13, 2019, and the second on September 17, 2019, to report a transaction dated as of September 12, 2019.

Solicitation Expenses

Skyworks will bear the expenses of the preparation of the proxy materials and the solicitation by the Board of Directors of proxies. Proxies may be solicited on behalf of the Company in person or by telephone, e-mail, facsimile, or other electronic means by directors, officers, or employees of the Company, who will receive no additional compensation for any such services. We have retained D.F. King & Co. to assist in

the solicitation of proxies, at a total cost to the Company of approximately \$30,000 to \$40,000. This increase in expense from prior years results from the Company's decision to solicit stockholder votes for the Annual Meeting more actively than it has done so in the past, as described above under "*Introduction to Proposals 5-8: Elimination of Supermajority Vote Provisions from Our Charter.*"

Electronic Delivery of Proxy Materials

We are able to distribute our Annual Report and this Proxy Statement to our stockholders in a fast and efficient manner via the Internet. This reduces the amount of paper delivered to a stockholder's address. Stockholders may elect to view all future annual reports, proxy statements, and notices on the Internet instead of receiving them by mail. You may make this election when voting your proxy this year. Simply

follow the instructions to vote via the Internet to register your consent. Your election to view proxy materials online is perpetual unless you revoke it later. Future proxy cards will contain the Internet website address and instructions to view the materials. You will continue to have the option to vote your shares by telephone, mail, or via the Internet.

Annual Report on Form 10-K and Stockholder List

A copy of our 2019 Annual Report accompanies this Proxy Statement. You also may obtain, free of charge, a copy of the Company's Annual Report on Form 10-K for fiscal year 2019, as filed with the SEC, via the Company's website at www.skyworksinc.com, or upon written request addressed to Investor Relations:

Skyworks Solutions, Inc.
5221 California Avenue
Irvine, CA 92617

A list of stockholders of record as of March 12, 2020, will be available for inspection during ordinary business hours at our executive offices in Irvine, CA, from April 24, 2020, to May 6, 2020, as well as online during our Annual Meeting.

Stockholder Proposals

Proposals to be considered for inclusion in the proxy materials for the Company's 2021 Annual Meeting of Stockholders pursuant to Rule 14a-8 under the Exchange Act must meet the requirements of Rule 14a-8 and be delivered in writing to the General Counsel and Secretary of the Company at its executive offices at 5221 California Avenue, Irvine, CA 92617, no later than November 27, 2020. The submission of a stockholder proposal does not guarantee that it will be included in the proxy materials for the Company's 2021 Annual Meeting.

According to the applicable provisions of our By-laws, if a stockholder wishes to present a proposal at our 2021 Annual Meeting outside the processes of Rule 14a-8, with such proposal not to be considered for inclusion in the proxy materials for such meeting, then the stockholder must give written notice to the Secretary of the Company at the address noted above no earlier than the close of business on January 6, 2021, and no later than the close of business on February 5, 2021. In the event that the 2021 Annual Meeting is held more than thirty (30) days before or after the first anniversary of the Company's 2020 Annual Meeting, then the required notice must be delivered in writing to the Secretary of the Company at the address above no earlier than 120 days prior to the date of the 2021 Annual Meeting and no later than the later of 90 days prior to the 2021 Annual Meeting or the 10th day following the day on which the public announcement

of the date of the 2021 Annual Meeting is first made by the Company. A proposal that is submitted outside of these time periods will not be considered to be timely and, pursuant to Rule 14a-4(c)(1) under the Exchange Act and if a stockholder properly brings the proposal before the meeting, the proxies that management solicits for that meeting will have "discretionary" authority to vote on the stockholder's proposal. Even if a stockholder makes timely notification, the proxies may still exercise "discretionary" authority in accordance with the SEC's proxy rules.

Our board of directors encourages stockholders to attend the Annual Meeting online. Whether or not you plan to attend, you are urged to submit a proxy promptly in one of the following ways:

- by completing, signing, and dating the proxy card and returning it in the postage-prepaid envelope provided for that purpose;
- by completing and submitting your proxy using the toll-free telephone number listed on the proxy card; or
- by completing and submitting your proxy via the Internet by visiting the website address listed on the proxy card.

A prompt response will greatly facilitate arrangements for the meeting and your cooperation will be appreciated.

APPENDIX A:

Provisions of Charter Subject to Potential Amendment

The following provisions of our Charter are those implicated by Proposals 5-8. In this *Appendix A*, deletions and additions that would be effected by the proposed amendments are indicated by strikethroughs and underlining, respectively:

SEVENTH:

1. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption).
2. Except as otherwise provided by law and except as hereinafter otherwise provided for filling vacancies, the directors of the Corporation shall be elected at each annual meeting of stockholders. Each director so elected shall hold office until the annual meeting of stockholders following the annual meeting at which such director was elected and until a successor is duly elected and qualified, or until such director's earlier death, resignation or removal. The terms of office of each director serving the Corporation as of immediately prior to the effectiveness of the filing of this Certificate of Amendment under the General Corporation Law of the State of Delaware (the "Effective Time") whose term of office did not expire at the 2011 annual meeting of stockholders of the Corporation shall nonetheless expire at the Effective Time, such that the directors elected at the 2011 annual meeting of stockholders of the Corporation effective upon the Effective Time to succeed such directors shall commence their term of office at the Effective Time, for a term expiring at the next annual meeting of stockholders, with each such director to hold office until his or her successor shall have been duly elected and qualified.
3. Vacancies resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders to occur following their election. No decrease in the number of authorized directors shall shorten the term of any incumbent director.
4. Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock, as provided herein or in any Preferred Stock Designation, to elect additional directors under specific circumstances, any director may be removed from office at any time, with or without cause by the affirmative vote of the holders of at least a majority of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article Seventh as one class of stock.
5. No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or

(iv) for any transaction from which the director derived an improper personal benefit. No repeal or modification of this paragraph, directly or by adoption of an inconsistent provision of this Certificate of Incorporation, by the stockholders of the Corporation shall be effective with respect to any cause of action, suit, claim or other matter that, but for this paragraph, would accrue or arise prior to such repeal or modification.

TENTH:

1. AMENDMENT OF CERTIFICATE OF INCORPORATION. The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner hereafter set forth, and all rights conferred upon stockholders herein are granted subject to this reservation.
 - A. Except as provided in paragraphs 1(B) and (2) of this Article Tenth and in Article Eleventh, any provision of this Certificate of Incorporation may be amended, altered, changed or repealed in the manner now or hereafter prescribed by the statutes of the State of Delaware.
 - B. Notwithstanding any of the provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of holders of any particular class or series of stock of the Corporation required by law or this Certificate of Incorporation, the affirmative vote of the holders of at least the following percentages of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for this purpose as one class of stock, shall be required to amend, alter, change or repeal, or to adopt any provisions inconsistent with, the indicated provisions of this Certificate of Incorporation:
 - (i) ~~80%~~⁽¹⁾ in the case of Article Seventh ~~or~~ and⁽²⁾ in the case of Article Thirteenth; and
 - (ii) ~~90%~~⁽³⁾ in the case of Article Twelfth.

The foregoing paragraphs 1(B)(i) and (ii) of this Article Tenth may not be amended so as to alter the stockholder vote required by either such paragraph or to adopt any provisions inconsistent with these provisions, except by an amendment that is itself approved by the affirmative vote of the holders of at least the percentage of all shares of all classes of stock of the Corporation as is required to amend the provision or provisions of this Certificate of Incorporation to which such amendment relates.

2. BY-LAWS. The Board of Directors is expressly authorized to adopt, alter, amend and repeal the By-laws of the Corporation, in any manner not inconsistent with the laws of the State of Delaware or of the Certificate of Incorporation of the Corporation, subject to the power of the holders of capital stock of the Corporation to adopt, alter or repeal the By-laws made by the Board of Directors; provided, that any such adoption, amendment or repeal by stockholders shall require the affirmative vote of the holders of at least a majority of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for this purpose as one class of stock. This paragraph 2 of Article Tenth may not be amended so as to alter the stockholder vote specified hereby, nor may any provisions inconsistent with these provisions be adopted, except by an amendment that is itself approved by the affirmative vote of the holders of at least a majority of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for this purpose as one class of stock.

(1) If Proposal 7 is approved, insert “a majority”; otherwise retain current threshold of 80%.

(2) If Proposal 8 is approved, insert “a majority”; otherwise retain current threshold of 80%.

(3) If Proposal 6 is approved, insert “a majority”; otherwise retain current threshold of 90%.

ELEVENTH:

1. Except as set forth in paragraph 2 of this Article Eleventh, the affirmative vote or consent of the holders of ~~80%~~at least a majority of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article as one class, shall be required (a) for the adoption of any agreement for the merger or consolidation of the Corporation with or into any Other Corporation (as hereinafter defined), or (b) to authorize any sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the assets of the Corporation or any Subsidiary (as hereinafter defined) to any Other Corporation, or (c) to authorize the issuance or transfer by the Corporation of any Substantial Amount (as hereinafter defined) of securities of the Corporation in exchange for the securities or assets of any Other Corporation. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the stock of the Corporation otherwise required by law, the Certificate of Incorporation of the Corporation or any agreement or contract to which the Corporation is a party.

2. The provisions of paragraph 1 of this Article Eleventh shall not be applicable to any transaction described therein if such transaction is approved by resolution of the Board of Directors of the Corporation; provided that a majority of the members of the Board of Directors voting for the approval of such transaction were duly elected and acting members of the Board of Directors prior to the time any such Other Corporation may have become a Beneficial Owner (as hereinafter defined) of 5% or more of the shares of stock of the Corporation entitled to vote for the election of directors.

3. For the purposes of paragraph 2 of this Article, the Board of Directors shall have the power and duty to determine for the purposes of this Article Eleventh, on the basis of information known to such Board, if and when any Other Corporation is the Beneficial Owner of 5% or more of the outstanding shares of stock of the Corporation entitled to vote for the election of directors. Any such determination shall be conclusive and binding for all purposes of this Article Eleventh.

4. As used in this Article Eleventh, the following terms shall have the meanings indicated:

“Other Corporation” means any person, firm, corporation or other entity, other than a subsidiary of the Corporation.

“Subsidiary” means any corporation in which the Corporation owns, directly or indirectly, more than 50% of the voting securities.

“Substantial Amount” means any securities of the Corporation having a then fair market value of more than \$500,000.

An Other Corporation (as defined above) shall be deemed to be the “Beneficial Owner” of stock if such Other Corporation or any “affiliate” or “associate” of such Other Corporation (as those terms are defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 (15 U.S.C. 78 aaa et seq.), as amended from time to time), directly or indirectly, controls the voting of such stock or has any options, warrants, conversion or other rights to acquire such stock.

5. This Article Eleventh may not be amended, revised or revoked, in whole or in part, except by the affirmative vote or consent of the holders of ~~80%~~at least a majority of the shares of all classes of stock of the Corporation entitled to vote for the election of directors, considered for the purposes of this Article Eleventh as one class of stock.

TWELFTH:

1. The following definitions shall apply for the purpose of this Article Twelfth only:
 - A. “Announcement Date” shall mean the date of first public announcement of the proposal of a Business Combination.
 - B. “Business Combination” shall mean:
 - (i) any merger or consolidation of the Corporation or any Subsidiary with (a) any Related Person, or (b) any other corporation (whether or not itself a Related Person) which is, or after such merger or consolidation would be, an Affiliate of a Related Person; or
 - (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Related Person or any Affiliate of any Related Person of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of \$500,000 or more; or
 - (iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Related Person or any Affiliate of any Related Person in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$500,000 or more; or
 - (iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of any Related Person or any Affiliate of any Related Person; or
 - (v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving the Related Person) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Related Person or any Affiliate of any Related Person.
 - C. “Consideration Received” shall mean the amount of cash and the Fair Market Value, as of the Consummation Date, of consideration other than cash received by the stockholder. In the event of any Business Combination in which the Corporation survives, the consideration other than cash shall include shares of any class of outstanding Voting Stock retained by the holders of such shares.
 - D. “Consummation Date” shall mean the date upon which the Business Combination is consummated.
 - E. “Continuing Director” shall mean any member of the Board of Directors of the Corporation who is unaffiliated with the Related Person and who was a member of the Board of Directors prior to the time that the Related Person became a Related Person, and any successor of a Continuing Director who is unaffiliated with the Related Person and is recommended to succeed a Continuing Director by a majority of the Continuing Directors then on the Board of Directors.
 - F. “Determination Date” shall mean the date upon which a Related Person became a Related Person.
 - G. “Exchange Act” shall mean the Securities Exchange Act of 1934 as in effect on May 1, 1983.

- H. “Fair Market Value” shall mean: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the principal United States securities exchange registered under the Exchange Act on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use or, if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by the Board of Directors in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board of Directors in good faith.
- I. “Related Person” shall mean any individual, firm, corporation or other entity (other than the Corporation or any Subsidiary) which, together with its Affiliates and Associates (as such terms are defined in Rule 12b-2 under the Exchange Act) and with any other individual, firm, corporation or other entity (other than the Corporation or any Subsidiary) with which it or they have any agreement, arrangement or understanding with respect to acquiring, holding or disposing of Voting Stock, beneficially owns (as defined in Rule 13d-3 of the Exchange Act, except that such term shall include any Voting Stock which such person has the right to acquire, whether or not such right may be exercised within 60 days), directly or indirectly, more than twenty percent of the voting power of the outstanding Voting Stock.
- J. “Subsidiary” shall mean any corporation in which a majority of the capital stock entitled to vote generally in the election of directors is owned, directly or indirectly, by the Corporation.
- K. “Voting Stock” shall mean all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors.

2. In addition to the affirmative vote otherwise required by law or any provision of this Certificate of Incorporation (including without limitation Article Eleventh), except as otherwise provided in paragraph 3, any Business Combination shall require the affirmative vote of the holders of ~~90%~~at least a majority of all Voting Stock, voting together as a single class.

Such affirmative vote shall be required notwithstanding any other provision of this Certificate of Incorporation or any provision of law or of any agreement with any national securities exchange which might otherwise permit a lesser vote or no vote, and such affirmative vote shall be required in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law or by this Certificate of Incorporation.

3. The provisions of paragraph 2 of this Article Twelfth shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law, any other provision of this Certificate of Incorporation (including Article Eleventh), or any agreement with any national securities exchange, if, in the case of a Business Combination that does not involve any Consideration Received by the stockholders of the Corporation, solely in their respective capacities as stockholders of the

Corporation, the condition specified in the following paragraph A is met, or, in the case of any other Business Combination, the conditions specified in either of the following paragraphs A and B are met:

- A. The Business Combination shall have been approved by a majority of the Continuing Directors, it being understood that this condition shall not be capable of satisfaction unless there is at least one Continuing Director.
- B. All of the following conditions shall have been met:
 - (i) The form of the Consideration Received by holders of shares of a particular class of outstanding Voting Stock shall be in cash or in the same form as the Related Person has paid for shares of such class of Voting Stock within the two-year period ending on and including the Determination Date. If, within such two-year period, the Related Person has paid for shares of any class of Voting Stock with varying forms of consideration, the form of Consideration Received per share by holders of shares of such class of Voting Stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock acquired by the Related Person within such two-year period.
 - (ii) The aggregate amount of Consideration Received per share by holders of each class of Voting Stock in such Business Combination shall be at least equal to the higher of the following (it being intended that the requirements of this paragraph B(ii) shall be required to be met with respect to every such class of Voting Stock outstanding, whether or not the Related Person has previously acquired any shares of that particular class of Voting Stock):
 - (a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Related Person for any shares of that class of Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher; or
 - (b) the Fair Market Value per share of such class of Voting Stock on the Announcement Date; or
 - (c) in the case of any class of preferred stock, the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.
 - (iii) After such Related Person has become a Related Person and prior to the consummation of such Business Combination: (a) except as approved by a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding preferred stock; (b) there shall have been (I) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Continuing Directors, and (II) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors; and (c) such Related Person shall have not become the beneficial owner of any newly issued share of Voting Stock directly or indirectly from the Corporation except as part of the transaction which results in such Related Person becoming a Related Person.

- (iv) After such Related Person has become a Related Person, such Related Person shall not have received the benefit, directly or indirectly (except proportionately, solely in such Related Person's capacity as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.
- (v) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Exchange Act and the rules and regulations thereunder (or any subsequent provisions replacing such act, rules or regulations) shall be mailed to all stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to the Exchange Act or subsequent provisions). Such proxy or information statement shall contain on the front thereof, prominently displayed, any recommendation as to the advisability or inadvisability of the Business Combination which the Continuing Directors, or any of them, may have furnished in writing to the Board of Directors.

4. A majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any determination is to be made by the Board of Directors) shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article Twelfth including, without limitation, (1) whether a person is a Related Person, (2) the number of shares of Voting Stock beneficially owned by any person, (3) whether the applicable conditions set forth in paragraph (2) of Section C have been met with respect to any Business Combination, and (4) whether the assets which are the subject of any Business Combination or the Consideration Received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination have an aggregate Fair Market Value of \$500,000 or more.

5. Nothing contained in this Article Twelfth shall be construed to relieve any Related Person from any fiduciary obligation imposed by law.

THIRTEENTH: Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

APPENDIX B:

Unaudited Reconciliations of Non-GAAP Financial Measures

	Year Ended Sept. 27, 2019
	(In millions, except per share amounts)
GAAP operating income	\$952.0
Share-based compensation expense	80.1
Acquisition-related expenses(a)	2.1
Amortization of acquisition-related intangibles	43.7
Settlements, gains, losses and impairments(b)	80.7
Restructuring and other charges	7.3
Deferred executive compensation	(0.1)
Non-GAAP operating income	\$1,165.8
GAAP operating margin %	28.2%
Non-GAAP operating margin %	34.5%

	Year Ended		
	Sept. 27, 2019	Sept. 30, 2016	Sept. 27, 2013
GAAP net income per share, diluted	\$4.89	\$5.18	\$1.45
Share-based compensation expense	0.46	0.41	0.37
Acquisition-related expenses(a)	0.01	0.04	0.01
Amortization of acquisition-related intangibles	0.25	0.17	0.15
Settlements, gains, losses and impairments(b)	0.48	0.01	0.01
Restructuring and other charges	0.04	0.02	0.03
Deferred executive compensation	—	0.01	—
PMC-Sierra merger termination fee	—	(0.46)	—
Interest expense on seller-financed debt(c)	—	0.01	—
Tax adjustments(d)	0.04	0.18	0.18
Non-GAAP net income per share, diluted	\$6.17	\$5.57	\$2.20

	Year Ended			
	Sept. 27, 2019	Sept. 28, 2018	Sept. 30, 2016	Sept. 27, 2013
GAAP net cash provided by operating activities	\$1,367.4	\$1,260.6	\$1,095.7	\$499.7
Capital expenditures	398.4	422.3	189.3	123.8
Free cash flow (Non-GAAP)	969.0	838.3	906.4	375.9

- (a) Acquisition-related expenses represent charges associated with acquisitions completed or contemplated. The figures presented for the fiscal year ended September 27, 2019, include an offset of \$3.1 million to record a benefit for fair value adjustments to reduce contingent consideration.

- (b) During the fiscal year ended September 27, 2019, the Company incurred \$83.2 million in charges including \$70.4 million consisting primarily of inventory-related charges due to lower expected demand as a result of the U.S. Bureau of Industry and Security of the U.S. Department of Commerce placing Huawei Technologies Co., Ltd. and certain of its affiliates on the Bureau's Entity List.
- (c) During the fiscal year ended September 30, 2016, the Company recognized \$1.1 million in interest expense associated with the accretion of the present value of the \$76.5 million liability related to the future purchase of the remaining 34% interest in the joint venture between the Company and Panasonic Corporation ("Panasonic"). The Company acquired the remaining 34% interest from Panasonic on August 1, 2016.
- (d) Tax adjustments represent adjustments for the use of net operating losses, research and development tax credit carryforwards, deferred tax expenses not affecting taxes payable, charges and/or releases of uncertain tax positions, and tax-deductible share-based compensation expense in excess of GAAP share-based compensation expense. The figure presented for the fiscal year ended September 27, 2013, includes amounts related to the passage of new tax laws.

Discussion Regarding the Use of Non-GAAP Financial Measures

Our annual report and this proxy statement contain some or all of the following financial measures that have not been calculated in accordance with United States Generally Accepted Accounting Principles ("GAAP"):

(i) non-GAAP operating income and operating margin, (ii) non-GAAP diluted earnings per share, and (iii) non-GAAP free cash flow. As set forth in the "Unaudited Reconciliations of Non-GAAP Financial Measures" table found above, we derive such non-GAAP financial measures by excluding certain expenses and other items from the respective GAAP financial measure that is most directly comparable to each non-GAAP financial measure. Management uses these non-GAAP financial measures to evaluate our operating performance and compare it against past periods, make operating decisions, forecast for future periods, compare our operating performance against peer companies and determine payments under certain compensation programs. These non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-recurring expenses and other items that management believes might otherwise make comparisons of our ongoing business with prior periods and competitors more difficult, obscure trends in ongoing operations or reduce management's ability to make forecasts.

We provide investors with non-GAAP operating income and operating margin and non-GAAP diluted earnings per share because we believe it is important for investors to be able to closely monitor and understand changes in our ability to generate income from ongoing business operations. We believe these non-GAAP financial measures give investors an additional method to evaluate historical operating performance and identify trends, an additional means of evaluating period-over-period operating performance and a method to facilitate certain comparisons of our operating results to those of our peer companies. We also believe that providing non-GAAP operating income and operating margin allows investors to assess the extent to which our ongoing operations impact our overall financial performance. We further believe that providing non-GAAP diluted earnings per share allows investors to assess the overall financial performance of our ongoing operations by eliminating the impact of share-based compensation expense, acquisition-related expenses, amortization of acquisition-related intangibles, settlements, gains, losses and impairments, restructuring-related charges, certain deferred executive compensation, merger termination fees, interest expense on seller-financed debt, and certain tax items which may not occur in each period presented and which may represent non-cash items unrelated to our ongoing operations. We believe that disclosing these non-GAAP financial measures contributes to enhanced financial reporting transparency and provides investors with added clarity about complex financial performance measures.

We calculate non-GAAP operating income by excluding from GAAP operating income, share-based compensation expense, acquisition-related expenses, amortization of acquisition-related intangibles, settlements, gains, losses and impairments, restructuring-related charges, and certain deferred executive compensation. We calculate non-GAAP diluted earnings per share by excluding from GAAP diluted earnings per share, share-based compensation expense, acquisition-related expenses, amortization of acquisition-related intangibles, settlements, gains, losses and impairments, restructuring-related charges, certain deferred executive compensation, merger termination fees, interest expense on seller-financed debt, and certain tax items.

Free cash flow is a non-GAAP measure calculated by subtracting capital expenditures from the most directly comparable GAAP measure, cash flows from operating activities. We believe free cash flow provides insight into our liquidity, our cash-generating capability, and the amount of cash potentially available to return to stockholders, as well as our general financial performance.

We exclude the items identified above from the respective non-GAAP financial measure referenced above for the reasons set forth with respect to each such excluded item below:

Share-Based Compensation—because (1) the total amount of expense is partially outside of our control because it is based on factors such as stock price volatility and interest rates, which may be unrelated to our performance during the period in which the expense is incurred, (2) it is an expense based upon a valuation methodology premised on assumptions that vary over time, and (3) the amount of the expense can vary significantly between companies due to factors that can be outside of the control of such companies.

Acquisition-Related Expenses—including such items as, when applicable, amortization of acquired intangible assets, fair value adjustments to contingent consideration, fair value charges incurred upon the sale of acquired inventory, acquisition-related professional fees, deemed compensation expenses and interest expense on seller-financed debt, because they are not considered by management in making operating decisions and we believe that such expenses do not have a direct correlation to our future business operations and thereby including such charges does not necessarily reflect the performance of our ongoing operations for the period in which such charges or reversals are incurred.

Settlements, Gains, Losses and Impairments—because such settlements, gains, losses and impairments (1) are not considered by management in making operating decisions, (2) are infrequent in nature, (3) are generally not directly controlled by management, (4) do not necessarily reflect the performance of our ongoing operations for the period in which such charges are recognized and/or (5) can vary significantly in amount between companies and make comparisons less reliable.

Restructuring-Related Charges—these charges have no direct correlation to our future business operations and including such charges or reversals does not necessarily reflect the performance of our ongoing operations for the period in which such charges or reversals are incurred.

Deferred Executive Compensation—including charges related to any contingent obligation pursuant to an executive severance agreement, because that expense has no direct correlation with our recurring business operations and including such expenses or reversals does not accurately reflect the compensation expense for the period in which incurred.

Merger Termination Fees—because we believe such non-recurring fees have no direct correlation to our business operations or performance during the period in which they are received or for any future period.

Certain Income Tax Items—including certain deferred tax charges and benefits that do not result in a current tax payment or tax refund and other adjustments, including but not limited to, items unrelated to the current fiscal year or that are not indicative of our ongoing business operations.

The non-GAAP financial measures presented in the table above should not be considered in isolation and are not an alternative for the respective GAAP financial measure that is most directly comparable to each such non-GAAP financial measure. Investors are cautioned against placing undue reliance on these non-GAAP financial measures and are urged to review and consider carefully the adjustments made by management to the most directly comparable GAAP financial measures to arrive at these non-GAAP financial measures. Non-GAAP financial measures may have limited value as analytical tools because they may exclude certain expenses that some investors consider important in evaluating our operating performance or ongoing business performance. Further, non-GAAP financial measures are likely to have limited value for purposes of drawing comparisons between companies as a result of different companies potentially calculating similarly titled non-GAAP financial measures in different ways because non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

(This page has been left blank intentionally.)

Fiscal Year 2019 Annual Report and Consolidated Financial Statements



Table of Contents

Cautionary Statement	96
Introduction	98
Industry Background	98
Business Overview	99
Management’s Discussion and Analysis of Financial Condition and Results of Operations	102
Quantitative and Qualitative Disclosures About Market Risk	110
Selected Financial Data	111
Consolidated Statements of Operations	112
Consolidated Statements of Comprehensive Income	113
Consolidated Balance Sheets	114
Consolidated Statements of Cash Flows	115
Consolidated Statements of Stockholders’ Equity	116
Notes to Consolidated Financial Statements	117
Report of Independent Registered Public Accounting Firm	141
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	144
Management’s Annual Report on Internal Control over Financial Reporting	144
Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	145
Comparative Stock Performance Graph	146

Cautionary Statement

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and is subject to the “safe harbor” created by those sections. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Words such as “anticipates”, “believes”, “continue”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “potential”, “predicts”, “projects”, “seek”, “should”, “targets”, “will”, “would”, and similar expressions or variations or negatives of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Annual Report.

Additionally, forward-looking statements include, but are not limited to:

- our plans to develop and market new products, enhancements or technologies and the timing of these development and marketing plans;
- our estimates regarding our capital requirements and our needs for additional financing;
- our estimates of our expenses, future revenues and profitability;
- our estimates of the size of the markets for our products and services;
- our expectations related to the rate and degree of market acceptance of our products; and
- our estimates of the success of other competing technologies that may become available.

Although forward-looking statements in this Annual Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known and understood by us. Consequently, forward-looking statements involve inherent risks and uncertainties and actual financial results and outcomes may differ materially and adversely from the results and outcomes discussed in or anticipated by the forward-looking statements. A number of important factors could cause actual financial results to differ materially and adversely from those in the forward-looking statements. We urge you to consider the risks and uncertainties discussed elsewhere in this report and in the other documents filed by us with the Securities and Exchange Commission (“SEC”) in evaluating our forward-looking statements. We have no plans, and undertake no obligation, to revise or update our forward-looking

statements to reflect any event or circumstance that may arise after the date of this report. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

This Annual Report also contains estimates made by independent parties and by us relating to market size and growth and other industry data. These estimates involve a number of assumptions and limitations and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. These and other factors could cause results to differ materially and adversely from those expressed in the estimates made by the independent parties and by us.

In this document, the words “we”, “our”, “ours”, “us”, “Skyworks”, and “the Company” refer only to Skyworks Solutions, Inc., and its consolidated subsidiaries and not any other person or entity. In addition, the following is a list of industry standards that may be referenced throughout the document:

- 5G (Fifth Generation): next-generation cellular network technology
- ASoC (Analog System on Chip): combines the required electronic circuits of various computer components into a single, integrated chip
- BAW (Bulk Acoustic Wave): electrical input signal is converted to an acoustic wave for filtering and converted back into an electrical signal by a metal-piezo-metal vertical structure
- BiFET (Bipolar Field Effect Transistor): integrates indium gallium phosphide based heterojunction bipolar transistors with field effect transistors on the same gallium arsenide substrate
- DC (Direct Current): unidirectional flow of an electrical charge
- CMOS (Complementary Metal Oxide Semiconductor): a technology of constructing integrated circuits
- GaAs (Gallium Arsenide): a compound of the elements gallium and arsenic that is used in the production of semiconductors
- HBT (Heterojunction Bipolar Transistor): a type of bipolar junction transistor which uses differing semiconductor materials for the emitter and base regions, creating a heterojunction
- IoT (Internet of Things): is the interconnection of uniquely identifiable embedded computing devices within the existing internet infrastructure
- LED (Light Emitting Diode): a two-lead semiconductor light source
- LTE (Long Term Evolution): 4th generation (“4G”) radio technologies designed to increase the capacity and speed of mobile telephone networks
- MIMO (Multiple In, Multiple Out): a method for multiplying the capacity of a radio link using multiple transmission and receiving antennas to exploit multipath propagation; more commonly, it refers to LTE, 5G, and Wi-Fi techniques to send more than one data signal (also known as data layers) with encoded information to increase capacity in modern telecommunications systems
- pHEMT (Pseudomorphic High Electron Mobility Transistor): a type of field effect transistor incorporating a junction between two materials with different band gaps
- RF (Radio Frequency): electromagnetic wave frequencies that lie in the range extending from around 3 kHz to 300 GHz
- SAW (Surface Acoustic Wave): electrical input signal is converted to an acoustic wave for filtering and converted back into an electrical signal by interdigitated transducers on a piezoelectric substrate
- SOI (Silicon On Insulator): technology refers to the use of layered silicon-insulator-silicon substrate in place of conventional silicon substrates in semiconductor manufacturing
- TC-SAW (Temperature Compensated Surface Acoustic Wave): SAW filters that have been designed to reduce shift in frequency over temperature.

Skyworks and the Skyworks symbol are trademarks or registered trademarks of Skyworks Solutions, Inc. or its subsidiaries in the United States and other countries. Third-party brands and names are for identification purposes only, and are the property of their respective owners.

Introduction

Skyworks Solutions, Inc., together with its consolidated subsidiaries (“Skyworks” or the “Company”), is empowering the wireless networking revolution. The Company’s highly innovative analog semiconductors are connecting people, places, and things, spanning a number of new and previously unimagined applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, industrial, medical, military, smartphone, tablet and wearable markets.

Our key customers include Amazon, Apple, Arris, Bose, Cisco, DJI, Ericsson, Foxconn, Garmin, Gemalto (a Thales company), General Electric, Google, Honeywell, HTC, Huawei, Itron, Lenovo, LG Electronics, Microsoft, Motorola, Netgear, Northrop Grumman, OPPO, Rockwell Collins, Samsung, Sierra Wireless, Sonos, Technicolor, VIVO, Xiaomi and ZTE. Our competitors include Analog Devices, Broadcom, Cirrus Logic, Maxim Integrated Products, Murata Manufacturing, NXP Semiconductors, Qorvo and Qualcomm.

We are a Delaware corporation that was formed in 1962. We changed our corporate name from Alpha Industries, Inc. to Skyworks Solutions, Inc. on June 25, 2002, following a business combination. We operate worldwide with engineering, manufacturing, sales, and service facilities throughout Asia, Europe, and North America. Our Internet address is www.skyworksinc.com. We make available free of charge on our website our Annual Report, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as practicable after we electronically submit such material to the SEC. The information contained on our website is not incorporated by reference in this Annual Report. Our SEC filings are also available to the public at www.sec.gov.

In August 2018, we acquired Avnera Corporation (“Avnera”) and expanded our leadership in wireless connectivity by adding ultra-low power analog circuits to enable smart interfaces via acoustic signal processing, sensors, and integrated software. The acquisition of Avnera enables us to capitalize on the rapid proliferation of audio functionality and its convergence with our advanced connectivity solutions. With our global sales channels, strong customer relationships and operational scale, we are leveraging Avnera’s innovative product portfolio and systems expertise to increase our footprint in automotive, industrial, home automation, enterprise and high-end consumer markets.

Industry Background

Wireless connectivity is exploding on a global basis. 5G is dramatically altering the world, creating an ecosystem where everyone is connected to everything, all the time—changing how individuals live, work, play, and learn. More importantly, 5G goes well beyond simply making the mobile communications experience better by increasing reliability, adding new features, and enhancing data rates. It is creating a market for diverse and transformative applications driven by the ability to deliver greater speeds, bandwidth and capacity, significantly lower latency, and more secure connectivity.

In fact, 5G connections will approach ten to 100 times faster than 4G speeds. To put this in perspective, downloading a full-length HD movie in 3G took one day; in 4G, the same file took minutes. On a 5G network, this content can be downloaded in mere seconds. 5G will also enable increasingly efficient and safe vehicle communication, paving the way for autonomous vehicles as well as networks that could make wireless healthcare a reality.

At the same time, connectivity is expanding into an adjacent set of IoT markets. From smart homes to the smart grid and from industrial to wearables, the number of connected devices is rapidly proliferating. IHS Markit Ltd. projects the IoT market to grow from an installed base of 15 billion units in 2015 to more than 75 billion units by 2025. Skyworks is enabling these opportunities with highly customized system solutions supporting a broad set of wireless protocols including cellular LTE, Wi-Fi, Bluetooth®, LoRa®, Thread, and Zigbee®.

Looking forward, we see a market that presents a significant growth opportunity for our industry and for Skyworks. The key catalysts for Skyworks will continue to be the insatiable demand for data and the profitable usage model, as each connection becomes more valuable and the world embraces 5G. According to a June 2019 Ericsson “Mobility Report,” there are expected to be 1.9 billion mobile 5G subscriptions globally by the end of 2024 driven by “rapid early momentum and enthusiasm” in the global market. 5G technology will also support the tens of billions of connected devices, smart objects, and embedded sensors expected to come online as the IoT becomes mainstream.

Solving Connectivity Challenges

We expect that highly integrated semiconductor solutions will play an increasingly pivotal role in the deployment of this next generation standard by resolving the daunting analog and RF complexities that are challenging the capabilities of existing hardware and the supporting network infrastructure. Meeting these design challenges requires broad competencies including signal transmission and conditioning, the ability to ensure seamless hand-offs between multiple standards, power management, voltage regulation, battery charging, advanced filtering, and tuning.

Skyworks is at the forefront of this sea change in connectivity, delivering the solutions that will enable the true potential of 5G and the IoT. We have a rich heritage in analog systems design and have spent the last decade investing in key technologies and resources. Our strength is underpinned by world-class performance and scale across a broad array of capabilities that include advanced TC-SAW and BAW filters, an expanded family of MIMO, ultra-high band, and diversity receive modules and expanding into emerging technologies including millimeter wave. From our breakthrough SKY5® unifying platform to our 5G small cell solutions, Skyworks’ approach across both infrastructure and user equipment facilitates powerful, high-speed end-to-end 5G connectivity.

Business Overview

Our ambitious vision is to connect everyone and everything, all the time. To this end, key elements of our strategy include:

Industry-Leading Technology

As the industry migrates to more complex 5G architectures across a multitude of wireless applications, we are well positioned to help mobile device manufacturers handle growing levels of system complexity in the transmit and receive chain. The trend towards increasing front-end and analog design challenges in smartphones and other platforms plays directly into our core strengths and positions us to address these challenges. We believe that we offer the broadest portfolio of radio and analog solutions from the transceiver to the antenna as well as all required manufacturing process technologies. We also hold strong technology leadership positions in passive devices, advanced integration including proprietary shielding and 3-D die stacking as well as SAW, TC-SAW and BAW filters. Our product portfolio is reinforced by a library of approximately 3,500 worldwide patents and other

intellectual property that we own and control. Together, our industry-leading technology enables us to deliver the highest levels of product performance and integration.

Customer Relationships

Given our scale and technology leadership, we are engaged with key original equipment manufacturers (“OEMs”), smartphone providers and baseband reference design partners. Our customers value our supply chain strength, our innovative technology and our system engineering expertise, resulting in deep customer loyalty. We partner with our customers to support their long-term product road maps and are valued as a system solutions provider rather than just a point product vendor.

Diversification

We are diversifying our business in three areas: our addressed markets, our customer base and our product offerings. By leveraging core analog and mixed signal technologies, we are expanding our family of solutions to a set of increasingly diverse end markets and customers. With the adoption of 5G and the opportunity to enable more applications, we are steadily growing our business beyond just mobile devices (where we support all top-tier manufacturers, including the leading smartphone suppliers and key baseband vendors) into additional high-performance analog markets, including automotive, home and factory automation, infrastructure, medical, smart energy and wireless networking. In these markets we leverage our scale, intellectual property and worldwide distribution network, which spans over 3,200 customers and over 2,500 analog components.

Delivering Operational Excellence

We vertically integrate our supply chain where we can differentiate with highly specialized internal manufacturing capabilities, or enter into alliances and strategic relationships for leading-edge technologies. This hybrid manufacturing model allows us to better balance our manufacturing capacity with the demand of the marketplace. Our internal capacity utilization remains high, resulting in an increase of our gross margin and the return on invested capital on a broader range of revenue.

Additionally, we continue to drive reductions in product design and manufacturing cycle times and further improve product yields. The combination of agile, flexible capacity and world-class module manufacturing and scale advantage allows us to achieve low product costs while integrating multiple technologies into highly sophisticated multi-chip modules.

Maintaining a Performance-Driven Culture

We consider our people and corporate culture to be a major competitive advantage and a key driver of our overall strategy. We create key performance indicators that align employee efforts with corporate strategy and link responsibilities with performance measurement. Accountability is paramount and we compensate our employees through a pay-for-performance methodology. We strive to be an employer-of-choice among peer companies and have created a work environment in which turnover is below geographic and industry averages.

Generating Superior Operating Results and Shareholder Returns

We seek to generate financial returns that are comparable to a highly diversified analog semiconductor company. Given our product volume and overall utilization we strive to achieve a best-in-class return on investment and operating income to reward shareholders.

Our Product Portfolio

Our product portfolio consists of various solutions, including:

- **Amplifiers:** the modules that strengthen the signal so that it has sufficient energy to reach a base station
- **Antenna Tuners:** aperture and impedance tuning products that improve antenna performance across frequencies
- **Attenuators:** circuits that allow a known source of power to be reduced by a predetermined factor (usually expressed as decibels)
- **Circulators/Isolators:** ferrite-based components commonly found on the output of high-power amplifiers used to protect receivers in wireless transmission systems
- **Wireless ASoC:** an intelligent 2.4 GHz and 5GHz wireless radio integrated circuit that includes all the analog and digital functions optimized for building wireless audio headsets, headphones, and wireless speaker systems
- **DC/DC Converters:** an electronic circuit which converts a source of direct current from one voltage level to another
- **Demodulators:** a device or an RF block used in receivers to extract the information that has been modulated onto a carrier or from the carrier itself
- **Detectors:** devices used to measure and control RF power in wireless systems
- **Diodes:** semiconductor devices that pass current in one direction only
- **Directional Couplers:** transmission coupling devices for separately sampling the forward or backward wave in a transmission line
- **Diversity Receive Modules:** devices used to improve receiver sensitivity in high data rate applications
- **Filters:** devices for recovering and separating mixed and modulated data in RF stages
- **Front-end Modules:** two or more functions co-packaged to optimize the performance, cost and application suitability in products, including intermediate or radio frequency signal paths
- **Hybrid:** a type of directional coupler used in radio and telecommunications
- **LED Drivers:** devices which regulate the current through a light emitting diode or string of diodes for the purpose of creating light
- **Low Noise Amplifiers:** devices used to reduce system noise figure in the receive chain
- **Mixers:** devices that enable signals to be converted to a higher or lower frequency signal and thereby allowing the signals to be processed more effectively
- **Modulators:** devices that take a baseband input signal and output a radio frequency modulated signal
- **Optocouplers/Optoisolators:** semiconductor devices that allow signals to be transferred between circuits or systems while ensuring that the circuits or systems are electrically isolated from each other
- **Phase Locked Loops:** closed-loop feedback control system that maintains a generated signal in a fixed phase relationship to a reference signal
- **Phase Shifters:** designed for use in power amplifier distortion compensation circuits in base station applications
- **Power Dividers/Combiners:** utilized to equally split signals into in-phase signals as often found in balanced signal chains and local oscillator distribution networks
- **Receivers:** electronic devices that change a radio signal from a transmitter into useful information
- **Switches:** components that perform the change between the transmit and receive function, as well as the band function for cellular handsets
- **Synthesizers:** devices that provide ultra-fine frequency resolution, fast switching speed, and low phase-noise performance

- Technical Ceramics: polycrystalline oxide materials used for a wide variety of electrical, mechanical, thermal and magnetic applications
- Voltage Controlled Oscillators/Synthesizers: fully integrated, high performance signal source for high dynamic range transceivers
- Voltage Regulators: generate a fixed level which ideally remains constant over varying input voltage or load conditions

We believe we possess broad technology capabilities and one of the most complete wireless communications product portfolios in the industry.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this Annual Report. In addition to historical information, the following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially and adversely from those referred to herein due to a number of factors, including, but not limited to, those described below and elsewhere in this Annual Report.

OVERVIEW

We, together with our consolidated subsidiaries, are empowering the wireless networking revolution. Our highly innovative analog semiconductors are connecting people, places, and things spanning a number of new and previously unimagined applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, industrial, medical, military, smartphone, tablet and wearable markets. Our key customers include Amazon, Apple, Arris, Bose, Cisco, DJI, Ericsson, Foxconn, Garmin, Gemalto (a Thales company), General Electric, Google, Honeywell, HTC, Huawei, Itron, Lenovo, LG Electronics, Microsoft, Motorola, Netgear, Northrop Grumman, OPPO, Rockwell Collins, Samsung, Sierra Wireless, Sonos, Technicolor, VIVO, Xiaomi and ZTE.

RESULTS OF OPERATIONS

FISCAL YEARS ENDED SEPTEMBER 27, 2019, SEPTEMBER 28, 2018, AND SEPTEMBER 29, 2017

The table below sets forth the results of our operations expressed as a percentage of net revenue. See Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 28, 2018, filed with the SEC on November 15, 2018, as amended by Amendment No. 1 to such Annual Report on Form 10-K, filed with the SEC

on January 25, 2019, for Management's Discussions and Analysis of Financial Condition and Results of Operations for the fiscal year ended September 29, 2017.

	September 27, 2019	September 28, 2018	September 29, 2017
Net revenue	100.0%	100.0%	100.0%
Cost of goods sold	52.5	49.6	49.6
Gross profit	47.5	50.4	50.4
Operating expenses:			
Research and development	12.5	10.4	9.7
Selling, general and administrative	5.9	5.4	5.6
Amortization of intangibles	0.7	0.5	0.8
Restructuring and other charges	0.2	—	—
Total operating expenses	19.3	16.3	16.1
Operating income	28.2	34.1	34.3
Other income (expense), net	0.3	0.3	0.1
Income before income taxes	28.5	34.4	34.4
Provision for income taxes	3.2	10.7	6.7
Net income	25.3%	23.7%	27.7%

GENERAL

During the fiscal year ended September 27, 2019, the following key factors contributed to our overall results of operations, financial position and cash flows:

- Net revenue decreased 12.7% to \$3,376.8 million, as compared to fiscal 2018. This decrease in revenue was primarily driven by weakness in smartphone demand and Huawei being added to the Entity List, partially offset by the increasing number of IoT applications, our expanding analog product portfolio supporting new vertical markets including automotive, consumer, industrial, infrastructure, medical, and military, and our success in capturing a higher share of the increasing radio frequency and analog content per device as smartphone models continue to evolve.
- Our ending cash, cash equivalents and marketable securities balance increased 3.1% to \$1,082.2 million in fiscal 2019 from \$1,050.2 million in fiscal 2018. This increase was primarily the result of a 8.5% increase in cash from operations to \$1,367.4 million in fiscal 2019 from \$1,260.6 million in fiscal 2018, partially offset by the repurchase of 8.9 million shares of our common stock for \$657.6 million, capital expenditures of \$398.4 million, and cash dividends of \$273.9 million.

NET REVENUE

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Net revenue	\$ 3,376.8	(12.7)%	\$ 3,868.0	5.9%	\$ 3,651.4

We market and sell our products directly to OEMs of communications and electronics products, third-party original design manufacturers and contract manufacturers, and indirectly through electronic components distributors. We generally experience seasonal peaks during our fourth and first fiscal quarters (which correspond to the second half of the calendar year), primarily as a result of increased worldwide production of consumer

electronics in anticipation of increased holiday sales, whereas our second and third fiscal quarters are typically lower and in line with seasonal industry trends.

The \$491.2 million decrease in net revenue in fiscal 2019, as compared to fiscal 2018, is primarily related to weakness in smartphone demand and Huawei being added to the Entity List, partially offset by the increasing number of IoT applications, our expanding analog product portfolio supporting new vertical markets including automotive, consumer, industrial, infrastructure, medical, and military, and our success in capturing a higher share of the increasing radio frequency and analog content per device as smartphone models continue to evolve.

For information regarding net revenue by geographic region and customer concentration, see Note 15 of this Annual Report.

GROSS PROFIT

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Gross profit	\$ 1,603.8	(17.8)%	\$ 1,950.7	5.9%	\$ 1,841.8
% of net revenue	47.5%		50.4%		50.4%

Gross profit represents net revenue less cost of goods sold. Our cost of goods sold consists primarily of purchased materials, labor and overhead (including depreciation and share-based compensation expense) associated with product manufacturing. Erosion of average selling prices of established products is typical of the semiconductor industry. Consistent with trends in the industry, we anticipate that average selling prices for our established products will continue to decline over time. As part of our normal course of business, we mitigate the gross margin impact of declining average selling prices with efforts to increase unit volumes, reduce material costs, improve manufacturing efficiencies, lower manufacturing costs of existing products and by introducing new and higher value-added products.

The \$346.9 million decrease in gross profit in fiscal 2019, as compared to fiscal 2018, was primarily the result of lower unit volumes and lower average selling prices with a gross profit impact of \$546.5 million. In addition, we incurred a \$66.1 million inventory-related charge due to lower expected demand as a result of Huawei being added to the Entity List. These negative impacts were partially offset by favorable product mix that positively impacted gross profit by \$265.7 million. As a result of these impacts, gross profit margin decreased to 47.5% of net revenue for fiscal 2019 as compared to 50.4% in fiscal 2018.

RESEARCH AND DEVELOPMENT

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Research and development	\$ 424.1	4.8%	\$ 404.5	13.9%	\$ 355.2
% of net revenue	12.5%		10.4%		9.7%

Research and development expenses consist primarily of direct personnel costs including share-based compensation expense, costs for pre-production evaluation and testing of new devices, masks, engineering prototypes and design tool costs.

The increase in research and development expense in fiscal 2019, as compared to fiscal 2018, was primarily related to an increase in employee-related compensation expense and product development-related expenses. Research

and development expense increased as a percentage of net revenue as a result of our increased investment in developing new technologies and products, as well as the decrease in net revenue.

SELLING, GENERAL AND ADMINISTRATIVE

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Selling, general and administrative	\$ 198.3	(4.6)%	\$ 207.8	1.6%	\$ 204.6
% of net revenue	5.9%		5.4%		5.6%

Selling, general and administrative expenses include legal and related costs, accounting, treasury, human resources, information systems, customer service, bad debt expense, sales commissions, share-based compensation expense, advertising, marketing, costs associated with business combinations completed or contemplated during the period and other costs.

The decrease in selling, general and administrative expenses in fiscal 2019, as compared to fiscal 2018, was primarily related to a decrease in share-based compensation expense. Selling, general and administrative expenses increased as a percentage of net revenue primarily due to the decrease in net revenue.

AMORTIZATION OF INTANGIBLES

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Amortization of intangibles, cost of goods sold	\$ 34.1	305.4%	\$ 8.4	100.0%	\$ —
Amortization of intangibles, operating expense	22.6	23.5%	18.3	(33.7)%	27.6
Total amortization of intangibles, including inventory step-up	56.7		26.7		27.6
% of net revenue	1.7%		0.7%		0.8%

The increase in amortization for fiscal 2019, as compared to fiscal 2018, was primarily due to amortization attributable to the Avnera acquisition completed in the fourth quarter of fiscal 2018.

RESTRUCTURING AND OTHER CHARGES

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Restructuring and other charges	\$ 6.8	750.0%	\$ 0.8	33.3%	\$ 0.6
% of net revenue	0.2%		—%		—%

Restructuring and other charges incurred in fiscal 2019 were primarily related to employee severance and other termination benefits as well as charges on a leased facility resulting from restructuring plans initiated during the period. We do not anticipate any further significant charges associated with these restructuring activities and the remaining cash payments related to these restructuring plans are not material.

Restructuring and other charges incurred in fiscal 2018 are related to charges on a leased facility.

PROVISION FOR INCOME TAXES

(dollars in millions)	Fiscal Years Ended				
	September 27, 2019	Change	September 28, 2018	Change	September 29, 2017
Provision for income taxes	\$ 107.4	(74.0)%	\$ 413.7	67.6%	\$ 246.8
% of net revenue	3.2%		10.7%		6.7%

The annual effective tax rate for fiscal 2019 of 11.2% was less than the United States federal statutory rate of 21.0% primarily due to benefits of 12.0% related to foreign earnings taxed at a rate less than the United States federal rate, 4.3% related to benefits from the foreign derived intangible income (“FDII”) deduction, 0.2% related to stock windfall deductions, and 2.7% related to the recognition of federal research and development tax credits, partially offset by increases in income tax rate expense impact of 5.7% related to global intangible low-taxed income (“GILTI”) expense, 1.5% related to a change in our tax reserves, and 0.5% from the partial settlement of the Internal Revenue Service (“IRS”) audit of our fiscal 2015 and 2016 income tax returns.

The decrease in the effective tax rate for fiscal 2019, as compared to the 31.1% effective rate for fiscal 2018, was primarily due to the enactment of the 2017 Tax Reform Act including a one-time charge related to the mandatory deemed repatriation tax on foreign earnings and a one-time charge related to the revaluation of our deferred tax assets and liabilities.

See Note 8 of this Annual Report for additional information regarding income taxes.

LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Cash and cash equivalents at beginning of period	\$ 733.3	\$ 1,616.8	\$ 1,083.8
Net cash provided by operating activities	1,367.4	1,260.6	1,456.3
Net cash used in investing activities	(336.9)	(1,150.4)	(325.9)
Net cash used in financing activities	(912.5)	(993.7)	(597.4)
Cash and cash equivalents at end of period	\$ 851.3	\$ 733.3	\$ 1,616.8

Cash provided by operating activities:

Cash provided by operating activities consists of net income for the period adjusted for certain non-cash items and changes in certain operating assets and liabilities. The \$106.8 million increase in cash provided by operating activities for fiscal 2019, as compared to fiscal 2018, was primarily related to favorable changes in working capital driven by higher cash collections and the timing of capital expenditures and vendor payments.

Cash used in investing activities:

Cash used in investing activities consists primarily of cash paid for acquisitions net of cash acquired, capital expenditures, purchased intangibles, cash received from the sale of capital assets, and cash related to the sale or maturity of investments. The \$813.5 million decrease in cash used in investing activities for fiscal 2019, as compared to fiscal 2018, was primarily related to \$404.0 million paid for the Avnera acquisition in fiscal 2018 and a \$401.9 million difference in the net purchase and sale of marketable securities.

Cash used in financing activities:

Cash used in financing activities consists primarily of cash transactions related to equity. The \$81.2 million decrease in cash used in financing activities for fiscal 2019, as compared to fiscal 2018, was primarily related to \$101.9 million decrease in stock repurchase activity, partially offset by an increase in dividend payments.

Liquidity:

Cash, cash equivalents and marketable securities totaled \$1,082.2 million as of September 27, 2019, representing an increase of \$32.0 million from September 28, 2018. The increase resulted from \$1,367.4 million in cash generated from operations, which was partially offset by \$657.6 million used to repurchase 8.9 million shares of stock, \$398.4 million in capital expenditures, and \$273.9 million in cash dividend payments during fiscal 2019. Based on our historical results of operations, we expect that our cash, cash equivalents and marketable securities on hand and the cash we expect to generate from operations will be sufficient to fund our research and development, capital expenditures, potential acquisitions, working capital, quarterly cash dividend payments (if such dividends are declared by the Board of Directors), outstanding commitments and other liquidity requirements associated with existing operations for at least the next 12 months. However, we cannot be certain that our cash on hand and cash generated from operations will be available in the future to fund all of our capital and operating requirements. In addition, any future strategic investments and acquisitions may require additional cash and capital resources. If we are unable to obtain sufficient cash or capital to meet our needs on a timely basis and on favorable terms, our business and operations could be materially and adversely affected.

Our invested cash balances primarily consist of highly liquid marketable securities that are available to meet near-term cash requirements including: term deposits, certificate of deposits, money market funds, U.S. Treasury securities, agency securities, other government securities, corporate debt securities and commercial paper.

OFF-BALANCE SHEET ARRANGEMENTS

All significant contractual obligations are recorded on our consolidated balance sheet or fully disclosed in the notes to our consolidated financial statements. We have no material off-balance sheet arrangements as defined in SEC Regulation S-K Item 303(a)(4)(ii).

CONTRACTUAL CASH FLOWS

Set forth below is a summary of our contractual payment obligations related to our operating leases, other commitments and long-term liabilities at September 27, 2019 (in millions):

Obligation	Payments Due By Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	Thereafter
Other long-term liabilities(1)	\$ 315.5	\$ —	\$ 38.2	\$ 38.2	\$ 239.1
Operating lease obligations	219.9	26.7	50.7	44.8	97.7
Other commitments(2)	19.3	8.6	10.7	—	—
Total	<u>\$ 554.7</u>	<u>\$ 35.3</u>	<u>\$ 99.6</u>	<u>\$ 83.0</u>	<u>\$ 336.8</u>

- (1) Other long-term liabilities primarily include our gross unrecognized tax benefits, repatriation tax payable, and executive deferred compensation. Gross unrecognized tax benefits and executive deferred compensation are both classified as beyond five years due to the uncertain nature of the liabilities.
- (2) Other commitments consist of contractual license and royalty payments and other purchase obligations. See Note 10 of this Annual Report.

CRITICAL ACCOUNTING ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments in applying our most critical accounting policies that can have a significant impact on the results we report in our financial statements. The SEC has defined critical accounting policies as those that are both most important to the portrayal of our financial condition and results and which require our most difficult, complex or subjective judgments or estimates. Based on this definition, our most critical accounting policies include revenue recognition, which impacts the recording of net revenue; inventory valuation, which impacts the cost of goods sold and gross margin; assessment of goodwill and long-lived assets, which impacts the impairment of the respective assets; share-based compensation, which impacts cost of goods sold and operating expenses; loss contingencies, which impacts operating expenses; and income taxes, which impacts the income tax provision. These policies and significant judgments involved are discussed further below. We have other significant accounting policies that do not generally require subjective estimates or judgments or would not have a material impact on our results of operations. Our significant accounting policies are described in Note 2 of this Annual Report.

Revenue Recognition. We recognize revenue in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606 *Revenue from Contracts with Customers* net of estimated reserves. Our revenue reserves contain uncertainties because they require management to make assumptions and to apply judgment to estimate the value of future credits to customers for product returns, price protection and stock rotation for products sold to certain electronic component distributors. We base these estimates on the expected value method considering all reasonably available information, including our historical experience and current expectations, and is reflected in the transaction price when sales are recorded.

Inventory Valuation. We value our inventory at the lower of cost or net realizable value. Reserves for excess and obsolete inventory are established on a quarterly basis and are based on a detailed analysis of aged material, salability of our inventory, market conditions, and product life cycles. Once reserves are established, write-downs of inventory are considered permanent adjustments to the cost basis of inventory. Our reserves contain uncertainties because the calculation requires management to make assumptions and to apply judgment regarding historical experience, market conditions and technological obsolescence. Changes in actual demand or market conditions could adversely impact our reserve calculations.

Goodwill and Long-Lived Assets. We evaluate goodwill and long-lived assets for impairment annually on the first day of the fourth fiscal quarter and whenever events or circumstances arise that may indicate that the carrying value of the goodwill or other intangibles may not be recoverable.

Our impairment analysis contains uncertainties because it requires management to make assumptions and to apply judgment to items such as: determination of the reporting unit and asset groupings, estimated control premiums, discount rates, future cash flows, the profitability of future business strategies and useful lives.

Share-Based Compensation. We have share-based compensation plans which include non-qualified stock options, restricted and performance share awards and units, as well as an employee stock purchase plan and other special share-based awards. Note 9 of this Annual Report details our current share-based compensation programs.

We determine the fair value of our share-based compensation items with pricing models as of the date of grant using a number of subjective variables and assumptions including, but not limited to: our expected stock price volatility over the term of the award, correlation coefficients, risk-free rate, the expected life of the award, dividend yield, and estimated performance against metrics. Compensation expense is recognized over the requisite

service period of the underlying awards. Management periodically evaluates these assumptions and updates share-based compensation expense accordingly.

Loss Contingencies. We record an estimate for loss contingencies such as a legal proceeding or claims if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss or range of loss can be reasonably estimated. We disclose material loss contingencies if there is at least a reasonable possibility that a loss has been incurred.

Our loss contingency analysis contains uncertainties because it requires management to assess the degree of probability of an unfavorable outcome and to make a reasonable estimate of the amount of potential loss.

Income Taxes. We account for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between tax and financial reporting. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized. Significant management judgment is required in developing our provision for income taxes, including the determination of deferred tax assets and liabilities and any valuation allowances that might be required against the deferred tax assets.

The application of tax laws and regulations to calculate our tax liabilities is subject to legal and factual interpretation, judgment, and uncertainty in a multitude of jurisdictions. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations, and court rulings. We recognize potential liabilities for anticipated tax audit issues in the United States and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes and interest will be due. We record an amount as an estimate of probable additional income tax liability at the largest amount that we feel is more likely than not, based upon the technical merits of the position, to be sustained upon audit by the relevant tax authority.

OTHER MATTERS

Inflation did not have a material impact on our results of operations during the three-year period ended September 27, 2019.

Quantitative and Qualitative Disclosures About Market Risk

We are subject to overall financial market risks, such as changes in market liquidity, credit quality, investment risk, interest rate risk and foreign exchange rate risk as described below.

Investment and Interest Rate Risk

Our exposure to interest rate and general market risks relates principally to our investment portfolio, which consists of cash and cash equivalents (money market funds and marketable securities purchased with less than ninety days until maturity) that total approximately \$851.3 million and marketable securities (U.S. Treasury and government securities, corporate bonds and notes, municipal bonds, other government securities) that total approximately \$203.3 million and \$27.6 million within short-term and long-term marketable securities, respectively, as of September 27, 2019.

The main objectives of our investment activities are liquidity and preservation of capital. Our cash equivalent investments have short-term maturity periods that dampen the impact of market or interest rate risk. Our marketable securities consist of short-term and long-term maturity periods between 90 days and two years. Credit risk associated with our investments is not material because our investments are diversified across several types of securities with high credit ratings, which reduces the amount of credit exposure to any one investment.

Based on our results of operations for the fiscal year ended September 27, 2019, a hypothetical reduction in the interest rates on our cash, cash equivalents, and other investments to zero would result in an immaterial reduction of interest income with a de minimis impact on income before taxes.

Given the low interest rate environment, the objectives of our investment activities, and the relatively low interest income generated from our cash, cash equivalents, and other investments, we do not believe that investment or interest rate risks pose material exposures to our current business or results of operations.

Foreign Exchange Rate Risk

Substantially all sales to customers and arrangements with third-party manufacturers provide for pricing and payment in United States dollars, thereby reducing the impact of foreign exchange rate fluctuations on our results. A percentage of our international operational expenses are denominated in foreign currencies and exchange rate volatility could positively or negatively impact those operating costs. For the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, we had foreign exchange losses of \$6.2 million, \$5.5 million and \$3.1 million, respectively. Increases in the value of the United States dollar relative to other currencies could make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the United States dollar relative to other currencies could result in our suppliers raising their prices to continue doing business with us. Given the relatively small number of customers and arrangements with third-party manufacturers denominated in foreign currencies, we do not believe that foreign exchange volatility has a material impact on our current business or results of operations. However, fluctuations in currency exchange rates could have a greater effect on our business or results of operations in the future to the extent our expenses increasingly become denominated in foreign currencies.

We may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. However, we may choose not to hedge certain foreign exchange exposures for a variety of reasons, including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. For the fiscal year ended September 27, 2019, we had no outstanding foreign currency forward or option contracts with financial institutions.

Selected Financial Data

The information set forth below for the five years ended September 27, 2019, is not necessarily indicative of results of future operations, and should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and our consolidated financial statements and related notes appearing elsewhere in this Annual Report to fully understand factors that may affect the comparability of the information presented below. Our fiscal year ends on the Friday closest to September 30. Fiscal 2019, 2018, 2017, 2016, and 2015 each consisted of 52 weeks and ended on September 27, 2019, September 28, 2018, September 29, 2017, September 30, 2016, and October 2, 2015, respectively.

The following table represents the selected financial data (in millions, except per share data):

Statement of Operations Data:	Fiscal Years Ended				
	September 27, 2019(1)	September 28, 2018(2)	September 29, 2017	September 30, 2016(3)	October 2, 2015
Net revenue	\$ 3,376.8	\$ 3,868.0	\$ 3,651.4	\$ 3,289.0	\$ 3,258.4
Operating income	\$ 952.0	\$ 1,319.3	\$ 1,253.8	\$ 1,118.7	\$ 1,023.1
Operating margin	28.2%	34.1%	34.3%	34.0%	31.4%
Net income	\$ 853.6	\$ 918.4	\$ 1,010.2	\$ 995.2	\$ 798.3
Earnings per share:					
Basic	\$ 4.92	\$ 5.06	\$ 5.48	\$ 5.27	\$ 4.21
Diluted	\$ 4.89	\$ 5.01	\$ 5.41	\$ 5.18	\$ 4.10
Cash dividends declared per share	\$ 1.58	\$ 1.34	\$ 1.16	\$ 1.06	\$ 0.65

Balance Sheet Data:	As of				
	September 27, 2019	September 28, 2018	September 29, 2017	September 30, 2016	October 2, 2015
Working capital	\$ 1,860.6	\$ 1,872.5	\$ 2,245.8	\$ 1,791.9	\$ 1,450.8
Property, plant and equipment, net	\$ 1,205.6	\$ 1,140.9	\$ 882.3	\$ 806.3	\$ 826.4
Total assets	\$ 4,839.6	\$ 4,828.9	\$ 4,573.6	\$ 3,855.4	\$ 3,719.4
Stockholders' equity	\$ 4,122.3	\$ 4,097.0	\$ 4,065.7	\$ 3,541.4	\$ 3,159.2

- (1) Fiscal 2019 net revenue, net income, and earnings per share were adversely impacted as a result of the U.S. Bureau of Industry and Security of the U.S. Department of Commerce placing Huawei and certain of its affiliates on the Bureau's Entity List (the "Entity List") in May 2019.
- (2) Fiscal 2018 net income and earnings per share include a one-time charge of \$224.6 million related to the mandatory deemed repatriation tax on foreign earnings and a one-time charge of \$18.3 million related to the revaluation of deferred tax assets and liabilities at the new corporate tax rate, as a result of the Tax Reform Act.
- (3) Fiscal 2016 net income and earnings per share include other income of \$88.5 million related to the receipt of a merger termination fee in November 2015 in connection with the termination by PMC-Sierra, Inc. ("PMC"), of the Amended and Restated Agreement and Plan of Merger that we had entered into with PMC in October 2015.

SKYWORKS SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Net revenue	\$ 3,376.8	\$ 3,868.0	\$ 3,651.4
Cost of goods sold	1,773.0	1,917.3	1,809.6
Gross profit	1,603.8	1,950.7	1,841.8
Operating expenses:			
Research and development	424.1	404.5	355.2
Selling, general and administrative	198.3	207.8	204.6
Amortization of intangibles	22.6	18.3	27.6
Restructuring and other charges	6.8	0.8	0.6
Total operating expenses	651.8	631.4	588.0
Operating income	952.0	1,319.3	1,253.8
Other income, net	9.0	12.8	3.2
Income before income taxes	961.0	1,332.1	1,257.0
Provision for income taxes	107.4	413.7	246.8
Net income	\$ 853.6	\$ 918.4	\$ 1,010.2
Earnings per share:			
Basic	\$ 4.92	\$ 5.06	\$ 5.48
Diluted	\$ 4.89	\$ 5.01	\$ 5.41
Weighted average shares:			
Basic	173.5	181.3	184.3
Diluted	174.5	183.2	186.7
Cash dividends declared and paid per share	\$ 1.58	\$ 1.34	\$ 1.16

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Net income	\$ 853.6	\$ 918.4	\$ 1,010.2
Other comprehensive income (loss), net of tax			
Fair value of investments	0.3	(0.1)	0.9
Pension adjustments	0.5	—	0.7
Foreign currency translation adjustment	—	(0.2)	0.8
Comprehensive income	<u>\$ 854.4</u>	<u>\$ 918.1</u>	<u>\$ 1,012.6</u>

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except per share amounts)

	As of	
	September 27, 2019	September 28, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 851.3	\$ 733.3
Marketable securities	203.3	294.1
Receivables, net of allowance for doubtful accounts of \$0.8 and \$0.6, respectively	465.3	655.8
Inventory	609.7	490.2
Other current assets	105.0	88.8
Total current assets	2,234.6	2,262.2
Property, plant and equipment, net	1,205.6	1,140.9
Goodwill	1,189.8	1,189.8
Intangible assets, net	107.9	143.7
Deferred tax assets, net	40.8	36.5
Marketable securities	27.6	22.8
Other assets	33.3	33.0
Total assets	<u>\$ 4,839.6</u>	<u>\$ 4,828.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	190.5	229.9
Accrued compensation and benefits	76.0	85.2
Other current liabilities	107.5	74.6
Total current liabilities	374.0	389.7
Long-term tax liabilities	312.4	310.5
Other long-term liabilities	30.9	31.7
Total liabilities	717.3	731.9
Commitments and contingencies (Note 10 and Note 11)		
Stockholders' equity:		
Preferred stock, no par value: 25.0 shares authorized, no shares issued	—	—
Common stock, \$0.25 par value: 525.0 shares authorized; 230.2 shares issued and 170.1 shares outstanding at September 27, 2019, and 228.4 shares issued and 177.4 shares outstanding at September 28, 2018	42.5	44.4
Additional paid-in capital	3,188.0	3,061.0
Treasury stock, at cost	(3,412.9)	(2,732.5)
Retained earnings	4,312.6	3,732.9
Accumulated other comprehensive loss	(7.9)	(8.8)
Total stockholders' equity	4,122.3	4,097.0
Total liabilities and stockholders' equity	<u>\$ 4,839.6</u>	<u>\$ 4,828.9</u>

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Cash flows from operating activities:			
Net income	\$ 853.6	\$ 918.4	\$ 1,010.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation	80.1	107.8	88.5
Depreciation	314.9	272.5	227.2
Amortization of intangible assets, including inventory step-up	56.7	26.7	27.6
Deferred income taxes	(6.1)	27.3	2.2
Changes in fair value of contingent consideration	(3.1)	(11.9)	(1.3)
Other, net	16.8	(0.7)	0.3
Excess tax benefit from share-based compensation	—	—	(40.8)
Changes in assets and liabilities:			
Receivables, net	190.5	(193.8)	(37.1)
Inventory	(119.6)	11.9	(69.2)
Other current and long-term assets	(16.7)	(12.2)	3.3
Accounts payable	(33.0)	(126.0)	147.8
Other current and long-term liabilities	33.3	240.6	97.6
Net cash provided by operating activities	1,367.4	1,260.6	1,456.3
Cash flows from investing activities:			
Capital expenditures	(398.4)	(422.3)	(303.3)
Purchased intangibles	(25.0)	(8.6)	(12.1)
Purchases of marketable securities	(360.5)	(683.7)	—
Sales and maturities of marketable securities	447.0	368.2	3.2
Payments for acquisitions, net of cash	—	(404.0)	(13.7)
Net cash used in investing activities	(336.9)	(1,150.4)	(325.9)
Cash flows from financing activities:			
Repurchase of common stock—payroll tax withholdings on equity awards	(22.8)	(48.0)	(49.2)
Repurchase of common stock—stock repurchase program	(657.6)	(759.5)	(432.3)
Dividends paid	(273.9)	(243.2)	(214.6)
Net proceeds from exercise of stock options	22.1	38.8	53.8
Proceeds from employee stock purchase plan	19.7	18.2	15.0
Deferred payments for intangibles	—	—	(5.5)
Payments of contingent consideration	—	—	(5.4)
Excess tax benefit from share-based compensation	—	—	40.8
Net cash used in financing activities	(912.5)	(993.7)	(597.4)
Net increase (decrease) in cash and cash equivalents	118.0	(883.5)	533.0
Cash and cash equivalents at beginning of period	733.3	1,616.8	1,083.8
Cash and cash equivalents at end of period	<u>\$ 851.3</u>	<u>\$ 733.3</u>	<u>\$ 1,616.8</u>
Supplemental cash flow disclosures:			
Income taxes paid	<u>\$ 124.4</u>	<u>\$ 135.9</u>	<u>\$ 163.2</u>

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions)

	Shares of common stock	Par value of common stock	Shares of treasury stock	Value of treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholders' equity
Balance at September 30, 2016	184.9	\$ 46.2	37.6	\$ (1,443.5)	\$ 2,686.0	\$ 2,263.6	\$ (10.9)	\$ 3,541.4
Net income	—	—	—	—	—	1,010.2	—	1,010.2
Exercise and settlement of share-based awards and related tax benefit, net of shares withheld for taxes	2.9	0.7	0.6	(49.2)	118.2	—	—	69.7
Share-based compensation expense	—	—	—	—	88.5	—	—	88.5
Stock repurchase program	(4.7)	(1.1)	4.7	(432.3)	1.1	—	—	(432.3)
Dividends declared	—	—	—	—	—	(214.2)	—	(214.2)
Other comprehensive income	—	—	—	—	—	—	2.4	2.4
Balance at September 29, 2017	183.1	\$ 45.8	42.9	\$ (1,925.0)	\$ 2,893.8	\$ 3,059.6	\$ (8.5)	\$ 4,065.7
Net income	—	—	—	—	—	918.4	—	918.4
Exercise and settlement of share-based awards, net of shares withheld for taxes	2.0	0.5	0.4	(48.0)	57.8	—	—	10.3
Share-based compensation expense	—	—	—	—	107.3	(1.9)	—	105.4
Stock repurchase program	(7.7)	(1.9)	7.7	(759.5)	1.9	—	—	(759.5)
Dividends declared	—	—	—	—	—	(243.2)	—	(243.2)
Pre-combination service on replacement awards	—	—	—	—	0.2	—	—	0.2
Other comprehensive loss	—	—	—	—	—	—	(0.3)	(0.3)
Balance at September 28, 2018	177.4	\$ 44.4	51.0	\$ (2,732.5)	\$ 3,061.0	\$ 3,732.9	\$ (8.8)	\$ 4,097.0
Net income	—	—	—	—	—	853.6	—	853.6
Exercise and settlement of share-based awards, net of shares withheld for taxes	1.6	0.3	0.3	(22.8)	42.2	—	—	19.8
Share-based compensation expense	—	—	—	—	82.5	—	—	82.5
Stock repurchase program	(8.9)	(2.2)	8.9	(657.6)	2.2	—	—	(657.6)
Dividends declared	—	—	—	—	—	(273.9)	—	(273.9)
Other comprehensive income	—	—	—	—	—	—	0.8	0.8
Balance at September 27, 2019	170.1	\$ 42.5	60.1	\$ (3,412.9)	\$ 3,188.0	\$ 4,312.6	\$ (7.9)	\$ 4,122.3

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Skyworks Solutions, Inc., together with its consolidated subsidiaries (“Skyworks” or the “Company”), is empowering the wireless networking revolution. The Company’s analog semiconductors are connecting people, places, and things, spanning a number of new applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, industrial, medical, military, smartphone, tablet and wearable markets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

All Skyworks subsidiaries are included in the Company’s consolidated financial statements and all intercompany balances are eliminated in consolidation.

FISCAL YEAR

The Company’s fiscal year ends on the Friday closest to September 30. Fiscal 2019, 2018, and 2017 each consisted of 52 weeks and ended on September 27, 2019, September 28, 2018, and September 29, 2017, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, expenses, comprehensive income and accumulated other comprehensive loss during the reporting period. The Company evaluates its estimates on an ongoing basis using historical experience and other factors, including the current economic environment. Significant judgment is required in determining the reserves for and fair value of items such as overall fair value assessments of assets and liabilities, inventory, intangible assets associated with business combinations, share-based compensation, loss contingencies, and income taxes. In addition, significant judgment is required in determining whether a potential indicator of impairment of long-lived assets exists and in estimating future cash flows for any necessary impairment testing. Actual results could differ significantly from these estimates.

CASH AND CASH EQUIVALENTS

The Company invests excess cash in time deposits, certificate of deposits, money market funds, U.S. Treasury securities, agency securities, other government securities, corporate debt securities and commercial paper. The Company considers highly liquid investments as cash equivalents including money market funds and investments with maturities of 90 days or less when purchased.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company maintains general allowances for doubtful accounts related to potential losses that could arise due to customers’ inability to make required payments. These reserves require management to apply judgment in deriving these estimates. In addition, the Company performs ongoing credit evaluations of its customers’ financial condition and if it becomes aware of any specific receivables which may be uncollectable, it performs additional analysis including, but not limited to, factors such as a customer’s credit worthiness, intent and ability to pay and overall financial position, and reserves are recorded if deemed necessary. If the data the Company uses to calculate

the allowance for doubtful accounts does not reflect the future ability to collect outstanding receivables, additional provisions for doubtful accounts may be needed and results of operations could be materially affected.

INVESTMENTS

The Company classifies its investment in marketable debt securities as “available-for-sale.” Available-for-sale securities are carried at fair value with unrealized holding gains or losses recorded in other comprehensive income, net of tax. Gains or losses are included in earnings in the period in which they are realized. The cost of securities sold is determined based on the specific identification method.

FAIR VALUE

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principle or most advantageous market in an orderly transaction between market participants at the measurement date. Applicable accounting guidance provides a hierarchy for inputs used in measuring fair value that prioritize the use of observable inputs over the use of unobservable inputs, when such observable inputs are available. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data.
- Level 3—Fair value is derived from valuation techniques in which one or more significant inputs are unobservable, including assumptions and judgments made by the Company.

It is the Company’s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements. When available, the Company uses quoted market prices to measure fair value. If market prices are not available, the Company is required to make judgments about assumptions market participants would use to estimate the fair value of a financial instrument.

The Company measures certain assets and liabilities at fair value on a recurring basis in three levels, based on the market in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. It recognizes transfers within the fair value hierarchy at the end of the fiscal quarter in which the change in circumstances that caused the transfer occurred.

The carrying value of cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued liabilities approximates fair value due to the short-term maturities of these assets and liabilities.

INVENTORY

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis. Reserves for excess and obsolete inventory are established on a quarterly basis and are based on a detailed analysis of aged material, salability of our inventory, market conditions, and product life cycles. Once reserves are established, write-downs of inventory are considered permanent adjustments to the cost basis of inventory.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation, with significant renewals and betterments being capitalized and retired equipment written off in the respective periods. Maintenance and repairs are expensed as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives, which range from five to thirty years for buildings and improvements and three to ten years for machinery and equipment. Leasehold improvements are depreciated over the lesser of the economic life or the life of the associated lease.

VALUATION OF LONG-LIVED ASSETS

Definite lived intangible assets are carried at cost less accumulated amortization. Amortization is calculated based on the pattern of benefit to be recognized from the underlying asset over its estimated useful life. Carrying values for long-lived assets and definite lived intangible assets are reviewed for possible impairment as circumstances warrant. Factors considered important that could result in an impairment review include significant underperformance relative to expected, historical or projected future operating results, significant changes in the manner of use of assets or the Company's business strategy, or significant negative industry or economic trends. In addition, impairment reviews are conducted at the judgment of management whenever asset values are deemed to be unrecoverable relative to future undiscounted cash flows expected to be generated by that particular asset group. The determination of recoverability is based on an estimate of undiscounted cash flows expected to result from the use of an asset group and its eventual disposition. Such estimates require management to exercise judgment and make assumptions regarding factors such as future revenue streams, operating expenditures, cost allocation and asset utilization levels, all of which collectively impact future operating performance. The Company's estimates of undiscounted cash flows may differ from actual cash flows due to, among other things, technological changes, economic conditions, changes to its business model or changes in its operating performance. If the sum of the undiscounted cash flows is less than the carrying value of an asset group, the Company would recognize an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset group.

GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

Goodwill and indefinite-lived intangible assets are not amortized but are tested at least annually as of the first day of the fourth fiscal quarter for impairment or more frequently if indicators of impairment exist during the fiscal year. The Company assesses its conclusion regarding segments and reporting units in conjunction with its annual goodwill impairment test, and has determined that it has one reporting unit for the purposes of allocating and testing goodwill.

The Company's impairment analysis compares its fair value to its net book value to determine if there is an indicator of impairment. In the Company's calculation of fair value, it considers the closing price of its common stock on the selected testing date, the number of shares of its common stock outstanding and other marketplace activity such as a related control premium. If the calculated fair value is determined to be less than the book value of the reporting unit, an impairment loss is recognized equal to that excess; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

REVENUE RECOGNITION

The Company derives its revenue primarily from the sale of semiconductor products under individual customer purchase orders, some of which have underlying master sales agreements that specify terms governing the product sales. In the absence of a sales agreement, the Company's standard terms and conditions apply. Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company applies a five-step approach as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers (Topic 606), in determining the amount and timing of revenue to be recognized: (1) identifying the contract with a customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the corresponding performance obligation is satisfied.

Each distinct promise to transfer products is considered to be an identified performance obligation for which revenue is recognized at a point in time upon transfer of control of the products to the customer. Transfer of control occurs upon shipment to the distributor or direct customer or when products are pulled from consignment inventory by the customer. Point in time recognition is determined as products manufactured under non-cancellable orders create an asset with an alternative use to the Company. Returns under the Company's general assurance warranty of products have not been material, and warranty-related services are not considered a separate performance obligation. As of September 27, 2019, the amount of remaining performance obligation that has not been recognized as revenue is not material.

Pricing adjustments and estimates of returns are treated as variable consideration for purposes of determining the transaction price. Sales returns are generally accepted at the Company's discretion or from distributors with stock rotation rights. Stock rotation allows distributors limited levels of returns and is based on the distributor's prior purchases. Price protection represents price discounts granted to certain distributors and is based on negotiations on sales to end customers. Variable consideration is estimated using the expected value method considering all reasonably available information, including the Company's historical experience and its current expectations, and is reflected in the transaction price when sales are recorded. The Company records net revenue excluding taxes collected on its sales to trade customers.

Accounts receivable represents the Company's unconditional right to receive consideration from its customer. Substantially all payments are collected within the Company's standard terms, which do not include a significant financing component. To date, there have been no material impairment losses on accounts receivable. There were no material contract assets or contract liabilities recorded on the consolidated balance sheet in any of the periods presented. All incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less in duration.

SHARE-BASED COMPENSATION

The Company recognizes compensation expense for all share-based payment awards made to employees and directors including non-qualified employee stock options, share awards and units, employee stock purchase plan and other special share-based awards based on estimated fair values.

The fair value of share-based payment awards is amortized over the requisite service period, which is defined as the period during which an employee is required to provide service in exchange for an award. The Company uses a straight-line attribution method for all grants that include only a service condition. Awards with both performance and service conditions are expensed over the service period for each separately vesting tranche.

Share-based compensation expense recognized during the period includes actual expense on vested awards and expense associated with unvested awards. Forfeitures are recorded as incurred.

The Company determines the fair value of share-based option awards based on the Company's closing stock price on the date of grant using a Black-Scholes options pricing model. Under the Black-Scholes model, a number of variables are used including, but not limited to: the expected stock price volatility over the term of the award, the risk-free rate, the expected life of the award and dividend yield. The determination of fair value of restricted and certain performance share awards and units is based on the value of the Company's stock on the date of grant with performance awards and units adjusted for the actual outcome of the underlying performance condition.

For more complex performance awards including units with market-based performance conditions the Company employs a Monte Carlo simulation valuation method to calculate the fair value of the awards based on the most likely outcome. Under the Monte Carlo simulation, a number of subjective variables and assumptions are used including, but not limited to: the expected stock price volatility over the term of the award, a correlation coefficient, the risk-free rate, and dividend yield.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred.

LOSS CONTINGENCIES

The Company records its best estimates of a loss contingency when it is considered probable and the amount can be reasonably estimated. When a range of loss can be reasonably estimated with no best estimate in the range, the minimum estimated liability related to the claim is recorded. As additional information becomes available, the Company assesses the potential liability related to the potential pending loss contingency and revises its estimates. Loss contingencies are disclosed if there is at least a reasonable possibility that a loss or an additional loss may have been incurred and include estimated legal costs.

RESTRUCTURING

A liability for post-employment benefits is recorded when payment is probable and the amount is reasonably estimable. Contract exit costs include contract termination fees and future contractual commitments for lease payments. A liability for contract exit costs is recognized in the period in which the Company terminates the contract or on the cease-use date for leased facilities.

FOREIGN CURRENCIES

The Company's functional currency is the United States dollar. Gains and losses related to foreign currency transactions and conversion of foreign denominated cash balances are included in current results.

INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. This method also requires the recognition of future tax benefits such as net operating loss carry forwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The carrying value of the Company's net deferred tax assets assumes the Company will be able to generate sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions. If these estimates and related assumptions change in the future, the Company may be required to record additional valuation allowances against its deferred tax assets resulting in additional income tax expense in its Consolidated Statement of Operations. Management evaluates the realizability of the deferred tax assets and assesses the adequacy of the valuation allowance quarterly. Likewise, in the event the Company were to determine that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, an adjustment to the deferred tax assets would increase income in the period such determination was made.

The determination of recording or releasing tax valuation allowances is made, in part, pursuant to an assessment performed by management regarding the likelihood that the Company will generate future taxable income against which benefits of its deferred tax assets may or may not be realized. This assessment requires management to exercise significant judgment and make estimates with respect to its ability to generate revenues, gross profits, operating income and taxable income in future periods. Amongst other factors, management must make assumptions regarding overall business and semiconductor industry conditions, operating efficiencies, the Company's ability to develop products to its customers' specifications, technological change, the competitive environment and changes in regulatory requirements which may impact its ability to generate taxable income and, in turn, realize the value of its deferred tax assets.

The calculation of the Company's tax liabilities includes addressing uncertainties in the application of complex tax regulations and is based on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The Company recognizes liabilities for anticipated tax audit issues in the United States and other tax jurisdictions based on its recognition threshold and measurement attribute of whether it is more likely than not that the positions the Company has taken in tax filings will be sustained upon tax audit, and the extent to which, additional taxes would be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period in which it is determined the liabilities are no longer necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result. The Company recognizes any interest or penalties, if incurred, on any unrecognized tax liabilities or benefits as a component of income tax expense.

EARNINGS PER SHARE

Basic earnings per share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share incorporate the potentially dilutive incremental shares issuable upon the

assumed exercise of stock options, the assumed vesting of outstanding restricted stock units, and the assumed issuance of common stock under the stock purchase plan using the treasury share method.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606), (“ASU 2014-09”), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Company adopted ASU 2014-09 at the beginning of the first quarter of fiscal 2019 using the modified retrospective approach, with the cumulative effect of applying the new guidance recognized as an adjustment to the opening retained earnings balance. The Company determined the impact of adopting the new revenue standard on its business processes, systems, controls and consolidated financial statements during fiscal 2019 was not material, except for an increase in accounts receivable and other current liabilities in the amount of \$29.1 million to reflect customer credits as a liability.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740), Intra-entity Transfers of an Asset Other than Inventory (“ASU 2016-16”). This ASU provides guidance that changes the accounting for income tax effects of intra-entity transfers of assets other than inventory. Under the new guidance, the selling (transferring) entity is required to recognize a current tax expense or benefit upon transfer of the asset. Similarly, the purchasing (receiving) entity is required to recognize a deferred tax asset or deferred tax liability, as well as the related deferred tax benefit or expense, upon receipt of the asset. The Company adopted ASU 2016-16 during the first quarter of fiscal 2019. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 320), (“ASU 2016-13”). This ASU requires a financial asset (or a group of financial assets) measured on the basis of amortized cost to be presented at the net amount expected to be collected. This ASU requires that the income statement reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU requires that credit losses of debt securities designated as available-for-sale be recorded through an allowance for credit losses. The ASU also limits the credit loss to the amount by which fair value is below amortized cost. The Company adopted ASU 2016-13 during the first quarter of fiscal 2019. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 320), (“ASU 2016-01”). This ASU provides guidance for the recognition, measurement, presentation, and disclosure of financial assets and liabilities. The Company adopted ASU 2016-01 during the first quarter of fiscal 2019. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, Compensation-Stock Compensation (Topic 718), Improvements to Nonemployee Share-based Payments (“ASU 2018-07”). This ASU expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The Company adopted ASU 2018-07 during the second quarter of fiscal 2019. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Topic 350), Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (“ASU 2018-15”). The new guidance clarifies the accounting for implementation costs in cloud computing arrangements. The Company adopted ASU 2018-15, on a prospective basis, during the second quarter of fiscal 2019. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (“ASU 2016-02”). This ASU requires lessees to reflect leases with a term greater than one year on their balance sheet as assets and obligations. The Company plans to adopt the new guidance in the first quarter of fiscal 2020. The Company will utilize the modified retrospective method and will recognize any cumulative effect adjustment in retained earnings at the beginning of the period of adoption. The Company plans to elect the package of three practical expedients that permits the Company to maintain its historical conclusions about lease identification, lease classification and initial direct costs for leases that exist at the date of adoption. Further, upon implementation of the new guidance, the Company intends to elect the practical expedient to not separate lease and non-lease components. The Company has performed an assessment of the impact that the adoption of ASU 2016-02 will have on the consolidated financial statements and related disclosures. Based on that assessment, the Company has estimated that the adoption of ASU 2016-02 will result in the recognition of approximately \$160 million to \$180 million of right-of-use assets and lease liabilities based on the present value of future minimum lease payments for currently executed leases. The Company does not expect the adoption of this new guidance to have a significant impact on its Consolidated Statements of Operations or its Consolidated Statements of Cash Flows.

There have been no other recent accounting pronouncements or changes in accounting pronouncements that are of significance, or potential significance, to the Company.

3. MARKETABLE SECURITIES

The Company’s portfolio of available-for-sale marketable securities consists of the following (in millions):

	Current		Noncurrent	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
Available for sale:				
U.S. Treasury and government	\$ 34.3	\$ 65.0	\$ 20.0	\$ —
Corporate bonds and notes	66.2	204.1	5.9	12.0
Municipal bonds	102.9	2.0	1.7	0.8
Other government	—	23.0	—	10.0
Total	\$ 203.3	\$ 294.1	\$ 27.6	\$ 22.8

The contractual maturities of noncurrent available-for-sale marketable securities were due within two years or less. There were gross unrealized gains of \$0.1 million on U.S. Treasury securities, \$0.1 million on corporate bonds and notes, and \$0.1 million on municipal bonds at September 27, 2019, and \$0.1 million in gross unrealized losses on corporate bonds and notes at September 28, 2018.

4. FAIR VALUE

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

The Company measures certain assets and liabilities at fair value on a recurring basis such as its financial instruments. There have been no transfers between Level 1, 2 or 3 assets or liabilities during the fiscal year ended September 27, 2019. The decrease of \$3.1 million in Level 3 liabilities included in earnings during fiscal 2019 relates to a reversal of the fair value of the contingent consideration liability, which was included in selling, general and administrative expenses.

Assets and liabilities recorded at fair value on a recurring basis consisted of the following (in millions):

	As of September 27, 2019				As of September 28, 2018			
	Fair Value Measurements				Fair Value Measurements			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Cash and cash equivalents*	\$ 851.3	\$ 809.5	\$ 41.8	\$ —	\$ 733.3	\$ 683.7	\$ 49.6	\$ —
U.S. Treasury and government securities	54.2	28.4	25.8	—	65.0	15.0	50.0	—
Corporate bonds and notes	72.1	—	72.1	—	216.0	—	216.0	—
Municipal bonds	104.6	—	104.6	—	2.8	—	2.8	—
Other government securities	—	—	—	—	33.1	—	33.1	—
Total	\$ 1,082.2	\$ 837.9	\$ 244.3	\$ —	\$ 1,050.2	\$ 698.7	\$ 351.5	\$ —
Liabilities								
Contingent consideration	\$ —	\$ —	\$ —	\$ —	\$ 3.1	\$ —	\$ —	\$ 3.1
Total	\$ —	\$ —	\$ —	\$ —	\$ 3.1	\$ —	\$ —	\$ 3.1

* Cash equivalents included in Levels 1 and 2 consist of money market funds and corporate bonds and notes, foreign government bonds, commercial paper, and agency securities purchased with less than ninety days until maturity.

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Company's non-financial assets and liabilities, such as goodwill, intangible assets, and other long-lived assets resulting from business combinations, are measured at fair value using income approach valuation methodologies at the date of acquisition and are subsequently re-measured if there are indicators of impairment.

5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	September 27, 2019	September 28, 2018
Raw materials	\$ 24.4	\$ 20.2
Work-in-process	336.2	340.7
Finished goods	245.7	124.8
Finished goods held on consignment by customers	3.4	4.5
Total inventory	\$ 609.7	\$ 490.2

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consists of the following (in millions):

	As of	
	September 27, 2019	September 28, 2018
Land and improvements	\$ 11.7	\$ 11.6
Buildings and improvements	354.4	238.0
Furniture and fixtures	33.8	31.5
Machinery and equipment	2,311.5	2,089.6
Construction in progress	172.5	179.0
Total property, plant and equipment, gross	2,883.9	2,549.7
Accumulated depreciation	(1,678.3)	(1,408.8)
Total property, plant and equipment, net	\$ 1,205.6	\$ 1,140.9

7. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill balance was \$1,189.8 million as of September 27, 2019, and September 28, 2018. The Company performed an impairment test of its goodwill as of the first day of the fourth fiscal quarter in accordance with its regularly scheduled testing. The results of this test indicated that the Company's goodwill was not impaired. There were no other indicators of impairment noted during the fiscal year ended September 27, 2019.

Intangible assets consist of the following (in millions):

	Weighted average amortization period (years)	As of September 27, 2019			As of September 28, 2018		
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	3.8	\$ 25.6	\$ (19.5)	\$ 6.1	\$ 31.7	\$ (13.2)	\$ 18.5
Developed technology and other	4.2	94.4	(48.9)	45.5	89.9	(23.5)	66.4
Trademarks	3.0	1.6	(1.3)	0.3	1.6	(0.8)	0.8
Capitalized software	3.0	—	—	—	18.0	(6.0)	12.0
Technology licenses	2.4	24.9	(4.8)	20.1	\$ —	—	—
IPR&D		35.9	—	35.9	\$ 46.0	—	46.0
Total intangible assets		\$ 182.4	\$ (74.5)	\$ 107.9	\$ 187.2	\$ (43.5)	\$ 143.7

The decrease in the gross amount of intangible assets is primarily related to fully amortized intangible assets have been eliminated from both the gross and accumulated amortization amounts, partially offset by current period additions to technology licenses.

Annual amortization expense for the next five fiscal years related to intangible assets, excluding IPR&D, is expected to be as follows (in millions):

	2020	2021	2022	2023	2024	Thereafter
Total amortization expense	\$ 42.2	\$ 18.8	\$ 5.1	\$ 1.1	\$ 1.1	\$ 3.7

8. INCOME TAXES

Income before income taxes consists of the following components (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
United States	\$ 427.2	\$ 712.2	\$ 681.2
Foreign	533.8	619.9	575.8
Income before income taxes	\$ 961.0	\$ 1,332.1	\$ 1,257.0

The provision for income taxes consists of the following (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Current tax expense (benefit):			
Federal	\$ 85.3	\$ 347.7	\$ 215.7
State	(0.1)	0.3	0.3
Foreign	23.5	31.2	24.4
	108.7	379.2	240.4
Deferred tax expense (benefit):			
Federal	(0.4)	20.3	5.0
Foreign	(0.9)	14.2	1.4
	(1.3)	34.5	6.4
Provision for income taxes	\$ 107.4	\$ 413.7	\$ 246.8

The actual income tax expense is different than that which would have been computed by applying the federal statutory tax rate to income before income taxes. A reconciliation of income tax expense as computed at the United States federal statutory income tax rate to the provision for income tax expense is as follows (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Tax expense at United States statutory rate	\$ 201.8	\$ 327.4	\$ 439.9
Foreign tax rate difference	(115.3)	(111.9)	(174.6)
Tax on deemed repatriation	8.1	224.6	—
Effect of stock compensation	(1.6)	(25.6)	—
Change of tax rate on deferred taxes	—	18.3	—
Research and development credits	(25.7)	(19.9)	(16.3)
Change in tax reserve	14.0	6.7	12.6
Domestic production activities deduction	—	(13.9)	(19.8)
Global Intangible Low-Taxed Income	54.3	—	—
Foreign Derived Intangible Income	(41.5)	—	—
Settlements with Tax Authorities	4.3	—	—
Other, net	9.0	8.0	5.0
Provision for income taxes	<u>\$ 107.4</u>	<u>\$ 413.7</u>	<u>\$ 246.8</u>

The Company operates in foreign jurisdictions with income tax rates lower than the United States tax rate for the fiscal years ended September 27, 2019, and September 28, 2018, which were 21.0% and 24.6%, respectively. The Company's tax benefits related to foreign earnings taxed at a rate less than the United States federal rate were \$115.3 million and \$111.9 million for the fiscal years ended September 27, 2019, and September 28, 2018, respectively.

The Tax Reform Act includes, among other things, a reduction of the United States corporate tax rate from 35.0% to 21.0%, a mandatory deemed repatriation tax on foreign earnings, repeal of the corporate alternative minimum tax and the domestic production activities deduction, and expensing of certain capital investments. The law makes fundamental changes to the taxation of multinational entities, including a shift from worldwide taxation with deferral to a hybrid territorial system, featuring a participation exemption regime, a minimum tax on low-taxed foreign earnings, and new measures to deter base erosion and promote export from the United States. As a result of this legislation, during fiscal 2018 the Company recognized a one-time transition tax related to the deemed repatriation of foreign earnings of \$224.6 million and a charge related to the revaluation of its deferred tax assets at the new corporate tax rate of \$18.3 million. During fiscal 2019, the Company completed its analysis of the impact of the Tax Reform Act and recorded a discrete income tax expense adjustment of \$8.1 million to the prior year provisional estimates. The \$232.7 million deemed repatriation tax is payable over the next eight years. The Company had accrued \$195.9 million and \$206.6 million of the deemed repatriation tax in long-term liabilities within the consolidated balance sheet as of September 27, 2019, and September 28, 2018, respectively.

In addition to the introduction of a modified territorial tax system, the Tax Reform Act includes new sets of provisions aimed at preventing or decreasing U.S. tax base erosion: the global intangible low-taxed income ("GILTI") provisions, the base erosion and anti-abuse tax ("BEAT") provisions, and the foreign derived intangible income ("FDII") provisions. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The Company has made an accounting policy election to account for

taxes due on GILTI inclusions as a component of current-period tax expense. The BEAT provisions eliminate the deduction of certain base-erosion payments made to related foreign corporations and impose a minimum tax if greater than regular tax. The FDII provisions allow a U.S. corporation an immediate deduction for a portion of its FDII. The amount of the deduction will depend in part on the Company's U.S. taxable income. The GILTI and FDII provisions became effective for the Company in fiscal 2019 and resulted in a \$54.3 million tax expense and a \$41.5 million tax benefit, respectively. The Company has analyzed the BEAT provisions for the year ended September 27, 2019, and has determined that it is not subject to the minimum tax imposed by the BEAT provisions.

The Company's federal income tax returns for fiscal 2015 and fiscal 2016 are currently under IRS examination. During the year ended September 27, 2019, the Company effectively settled a portion of this IRS examination. As a result, the Company accrued a tax payable of \$4.3 million, including interest.

On October 2, 2010, the Company expanded its presence in Asia by launching operations in Singapore. The Company operates under a tax holiday in Singapore, which was originally effective through September 30, 2020. The Company has obtained an extension of this tax holiday through September 30, 2030. The original tax holiday and the extension are both conditioned upon the Company's compliance with certain employment and investment thresholds in Singapore. The impact of the tax holiday decreased Singapore's taxes by \$32.8 million, \$38.4 million, and \$37.4 million for the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, respectively, which resulted in tax benefits of \$0.19, \$0.21, and \$0.20 of diluted earnings per share, respectively.

Deferred income tax assets and liabilities consist of the tax effects of temporary differences related to the following (in millions):

	Fiscal Years Ended	
	September 27, 2019	September 28, 2018
Deferred tax assets:		
Inventory	\$ 10.1	\$ 5.7
Bad debts	0.2	1.2
Accrued compensation and benefits	5.9	4.9
Product returns, allowances and warranty	0.3	4.6
Restructuring	0.6	—
Share-based and other deferred compensation	21.2	26.1
Net operating loss carry forwards	11.3	15.5
Non-United States tax credits	20.7	20.3
State tax credits	106.4	97.0
Property, plant and equipment	17.7	9.1
Other, net	5.9	3.3
Deferred tax assets	200.3	187.7
Less valuation allowance	(129.1)	(118.6)
Net deferred tax assets	71.2	69.1
Deferred tax liabilities:		
Prepaid insurance	(0.5)	(0.6)
Property, plant and equipment	(19.3)	(25.6)
Intangible assets	(17.4)	(19.3)
Other, net	(6.3)	(2.0)
Net deferred tax liabilities	(43.5)	(47.5)
Total net deferred tax assets	\$ 27.7	\$ 21.6

In accordance with GAAP, management has determined that it is more likely than not that a portion of its historic and current year income tax benefits will not be realized. As of September 27, 2019, the Company has a valuation allowance of \$129.1 million. This valuation allowance is comprised of \$109.8 million related to United States state tax credits and \$19.3 million are related to foreign deferred tax assets. The Company does not anticipate sufficient taxable income or tax liability to utilize these state and foreign credits. If these benefits are recognized in a future period the valuation allowance on deferred tax assets will be reversed and up to a \$129.1 million income tax benefit may be recognized. The Company will need to generate \$106.4 million of future United States federal taxable income to utilize its United States deferred tax assets as of September 27, 2019. The Company believes that future reversals of taxable temporary differences, and its forecast of continued earnings in its domestic and foreign jurisdictions, support its decision to not record a valuation allowance on other deferred tax assets. The Company will continue to assess its valuation allowance in future periods. The net valuation allowance increased by \$10.5 million and \$27.7 million in fiscal 2019 and fiscal 2018, respectively, primarily related to increases for foreign and state net operating loss and tax credit carryovers.

As of September 27, 2019, the Company has United States federal net operating loss carry forwards of approximately \$18.2 million, including \$10.3 million related to the acquisition of Avnera. The utilization of these

net operating losses is subject to certain annual limitations as required under Internal Revenue Code section 382 and similar state income tax provisions. The United States federal net operating loss carry forwards expire at various dates through 2035. The Company also has state income tax credit carry forwards of \$106.4 million, net of federal benefits, for which the Company has provided a valuation allowance. The state tax credits relate primarily to California research tax credits that can be carried forward indefinitely.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (in millions):

	Unrecognized tax benefits
Balance at September 28, 2018	\$ 93.4
Increases based on positions related to prior years	7.1
Decreases based on positions related to prior years	(0.3)
Increases based on positions related to current year	9.6
Decreases relating to settlements with taxing authorities	(6.3)
Decreases relating to lapses of applicable statutes of limitations	(0.2)
Balance at September 27, 2019	<u>\$ 103.3</u>

Of the total unrecognized tax benefits at September 27, 2019, \$87.6 million would impact the effective tax rate, if recognized. The remaining unrecognized tax benefits would not impact the effective tax rate, if recognized, due to the Company's valuation allowance and certain positions that were required to be capitalized.

The Company anticipates reversals within the next 12 months related to items such as the lapse of the statute of limitations, audit closures, and other items that occur in the normal course of business. Due to open examinations, an estimate of anticipated reversals within the next 12 months cannot be made. During the fiscal years 2019, 2018, and 2017, the Company recognized \$6.0 million, \$4.1 million and \$2.6 million, respectively, of interest or penalties related to unrecognized tax benefits. Accrued interest and penalties of \$12.7 million and \$7.5 million related to uncertain tax positions have been included in long-term tax liabilities within the consolidated balance sheet as of September 27, 2019, and September 28, 2018, respectively.

The Company's major tax jurisdictions as of September 27, 2019, are the United States, California, Canada, Luxembourg, Mexico, Japan, and Singapore. For the United States, the Company has open tax years dating back to fiscal 2000 due to the carry forward of tax attributes. For California, the Company has open tax years dating back to fiscal 1999 due to the carry forward of tax attributes. For Canada, the Company has open tax years dating back to fiscal 2013. For Luxembourg, the Company has open tax years back to fiscal 2013. For Mexico, the Company has open tax years back to fiscal 2013. For Japan, the Company has open tax years back to fiscal 2014. For Singapore, the Company has open tax years dating back to fiscal 2013. The Company is subject to audit examinations by the respective taxing authorities on a periodic basis, of which the results could impact its financial position, results of operations or cash flows.

9. STOCKHOLDERS' EQUITY

COMMON STOCK

At September 27, 2019, the Company is authorized to issue 525.0 million shares of common stock, par value \$0.25 per share, of which 230.2 million shares are issued and 170.1 million shares are outstanding.

Holders of the Company's common stock are entitled to dividends in the event declared by the Company's Board of Directors out of funds legally available for such purpose. Dividends may not be paid on common stock unless all accrued dividends on preferred stock, if any, have been paid or declared and set aside. In the event of the Company's liquidation, dissolution or winding up, the holders of common stock will be entitled to share pro rata in the assets remaining after payment to creditors and after payment of the liquidation preference plus any unpaid dividends to holders of any outstanding preferred stock.

Each holder of the Company's common stock is entitled to one vote for each such share outstanding in the holder's name. No holder of common stock is entitled to cumulate votes in voting for directors. The Company's restated certificate of incorporation as amended to date (the "Certificate of Incorporation") provides that, unless otherwise determined by the Company's Board of Directors, no holder of stock has any preemptive right to purchase or subscribe for any stock of any class which the Company may issue or sell.

PREFERRED STOCK

The Company's Certificate of Incorporation has authorized and permits the Company to issue up to 25.0 million shares of preferred stock without par value in one or more series and with rights and preferences that may be fixed or designated by the Company's Board of Directors without any further action by the Company's stockholders. The designation, powers, preferences, rights and qualifications, limitations and restrictions of the preferred stock of each series will be fixed by the certificate of designation relating to such series, which will specify the terms of the preferred stock. At September 27, 2019, the Company had no shares of preferred stock issued or outstanding.

STOCK REPURCHASE

On January 30, 2019, the Board of Directors approved a stock repurchase program, pursuant to which the Company is authorized to repurchase up to \$2.0 billion of its common stock from time to time prior to January 30, 2021, on the open market or in privately negotiated transactions as permitted by securities laws and other legal requirements. This authorized stock repurchase program replaced in its entirety the January 31, 2018, stock repurchase program. During the fiscal year ended September 27, 2019, the Company paid approximately \$657.6 million (including commissions) in connection with the repurchase of 8.9 million shares of its common stock (paying an average price of \$74.26 per share) under the January 30, 2019, stock repurchase plan and the January 31, 2018, stock repurchase plan. As of September 27, 2019, \$1,626.4 million remained available under the January 30, 2019, stock repurchase plan.

During the fiscal year ended September 28, 2018, the Company paid approximately \$759.5 million (including commissions) in connection with the repurchase of 7.7 million shares of its common stock (paying an average price of \$98.84 per share).

DIVIDENDS

On November 12, 2019, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$0.44 per share. This dividend is payable on December 24, 2019, to the Company's stockholders of record as of the close of business on December 3, 2019. Future dividends are subject to declaration by the Board of Directors. The dividends charged to retained earnings in fiscal 2019 and 2018 were as follows (in millions except per share amounts):

	Fiscal Years Ended			
	September 27, 2019		September 28, 2018	
	Per Share	Total	Per Share	Total
First quarter	\$ 0.38	\$ 67.1	\$ 0.32	\$ 58.8
Second quarter	0.38	66.0	0.32	58.5
Third quarter	0.38	65.7	0.32	57.8
Fourth quarter	0.44	75.1	0.38	68.1
	<u>\$ 1.58</u>	<u>\$ 273.9</u>	<u>\$ 1.34</u>	<u>\$ 243.2</u>

EMPLOYEE STOCK BENEFIT PLANS

As of September 27, 2019, the Company has the following equity compensation plans under which its equity securities were authorized for issuance to its employees and/or directors:

- the 2002 Employee Stock Purchase Plan
- the Non-Qualified Employee Stock Purchase Plan
- the 2005 Long-Term Incentive Plan
- the AATI 2005 Equity Incentive Plan
- the 2008 Director Long-Term Incentive Plan
- the 2015 Long-Term Incentive Plan

Except for the Non-Qualified Employee Stock Purchase Plan, each of the foregoing equity compensation plans was approved by the Company's stockholders.

As of September 27, 2019, a total of 85.3 million shares are authorized for grant under the Company's share-based compensation plans, with 1.3 million options outstanding. The number of common shares reserved for future awards to employees and directors under these plans was 12.4 million at September 27, 2019. The Company currently grants new equity awards to employees under the 2015 Long-Term Incentive Plan and to non-employee directors under the 2008 Director Long-Term Incentive Plan.

2015 Long-Term Incentive Plan. Under this plan, officers, employees, and certain consultants may be granted stock options, restricted stock awards and units, performance stock awards and units and other share-based awards. The plan has been approved by the stockholders. Under the plan, up to 19.4 million shares have been authorized for grant. A total of 11.7 million shares are available for new grants as of September 27, 2019. The maximum contractual term of options under the plan is seven years from the date of grant. Options granted under the plan at the determination of the compensation committee generally vest ratably over four years. Restricted stock awards and units granted under the plan at the determination of the compensation committee generally vest over four or more years. With respect to restricted stock awards, dividends are accumulated and paid when the underlying shares vest. If the underlying shares are forfeited for any reason, the rights to the

dividends with respect to such shares are also forfeited. No dividends or dividend equivalents are paid or accrued with respect to restricted stock unit awards or other awards until the shares underlying such awards become vested and are issued to the award holder. Performance stock awards and units are contingently granted depending on the achievement of certain predetermined performance goals and generally vest over two or more years.

2008 Director Long-Term Incentive Plan. Under this plan, non-employee directors may be granted stock options, restricted stock awards, and other share-based awards. The plan has been approved by the stockholders. Under the plan a total of 1.5 million shares have been authorized for grant. A total of 0.6 million shares are available for new grants as of September 27, 2019. The maximum contractual term of options granted under the plan is ten years from the date of grant. Options granted under the plan are generally exercisable over four years. Restricted stock awards and units granted under the plan generally vest over one or more years. With respect to restricted stock awards, dividends are accumulated and paid when the underlying shares vest. If the underlying shares are forfeited for any reason, the rights to the dividends with respect to such shares are also forfeited.

Employee Stock Purchase Plans. The Company maintains a domestic and an international employee stock purchase plan. Under these plans, eligible employees may purchase common stock through payroll deductions of up to 10% of their compensation. The price per share is the lower of 85% of the fair market value of the common stock at the beginning or end of each offering period (six months). The plans provide for purchases by employees of up to an aggregate of 9.7 million shares. Shares of common stock purchased under these plans in the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, were 0.3 million, 0.2 million, and 0.2 million, respectively. At September 27, 2019, there are 0.2 million shares available for purchase. The Company recognized compensation expense of \$5.8 million, \$5.2 million and \$4.5 million for the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, respectively, related to the employee stock purchase plan. The unrecognized compensation expense on the employee stock purchase plan at September 27, 2019, was \$1.9 million. The weighted average period over which the cost is expected to be recognized is approximately four months.

Stock Options

The following table represents a summary of the Company's stock options:

	Shares (in millions)	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in millions)
Balance outstanding at September 28, 2018	1.9	\$ 57.12		
Granted	—	\$ 82.64		
Exercised	(0.6)	\$ 37.31		
Canceled/forfeited	—	\$ 82.46		
Balance outstanding at September 27, 2019	1.3	\$ 65.38	2.6	\$ 19.5
Exercisable at September 27, 2019	1.0	\$ 63.46	2.2	\$ 17.5

The weighted-average grant date fair value per share of employee stock options granted during the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, was \$21.74, \$68.32, and \$23.25, respectively. The increase in the weighted-average grant date fair value per share of employee stock options granted during fiscal 2018 was due to replacement awards granted as a result of the Avnera acquisition completed during the period. The total grant date fair value of the options vested during the fiscal years ended

September 27, 2019, September 28, 2018, and September 29, 2017, was \$23.7 million, \$22.6 million and \$19.3 million, respectively.

Restricted and Performance Awards and Units

The following table represents a summary of the Company's restricted and performance awards and units:

	Shares (In millions)	Weighted average grant date fair value
Non-vested awards outstanding at September 28, 2018	2.7	\$ 92.37
Granted(1)	1.5	\$ 78.41
Vested	(0.8)	\$ 85.95
Canceled/forfeited	(0.5)	\$ 91.24
Non-vested awards outstanding at September 27, 2019	2.9	\$ 87.22

(1) includes performance shares granted and earned assuming maximum performance under the underlying performance metrics

The weighted average grant date fair value per share for awards granted during the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, was \$78.41, \$108.86, and \$72.84, respectively. The total grant date fair value of the awards vested during the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, was \$74.9 million, \$81.1 million and \$57.9 million, respectively.

The following table summarizes the total intrinsic value for stock options exercised and awards vested (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Awards	\$ 67.7	\$ 134.4	\$ 137.8
Options	\$ 26.4	\$ 75.0	\$ 116.1

Valuation and Expense Information

The following table summarizes pre-tax share-based compensation expense by financial statement line and related tax benefit (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Cost of goods sold	\$ 13.0	\$ 14.4	\$ 13.6
Research and development	41.6	42.6	35.3
Selling, general and administrative	25.5	50.8	39.6
Total share-based compensation expense	\$ 80.1	\$ 107.8	\$ 88.5
Share-based compensation tax benefit	\$ 1.6	\$ 25.6	\$ 25.1
Capitalized share-based compensation expense at period end	\$ 4.7	\$ 2.9	\$ 4.0

The following table summarizes total compensation costs related to unvested share-based awards not yet recognized and the weighted average period over which it is expected to be recognized at September 27, 2019:

	Unrecognized compensation cost for unvested awards (in millions)	Weighted average remaining recognition period (in years)
Awards	\$ 129.6	1.7
Options	\$ 2.6	0.7

The fair value of the restricted stock awards and units is equal to the closing market price of the Company's common stock on the date of grant.

The Company issued performance share units during fiscal 2019, fiscal 2018, and fiscal 2017 that contained market-based conditions. The fair value of these performance share units was estimated on the date of the grant using a Monte Carlo simulation with the following weighted average assumptions:

	Fiscal Year Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Volatility of common stock	32.65%	35.54%	39.60%
Average volatility of peer companies	37.07%	36.78%	39.78%
Average correlation coefficient of peer companies	0.47	0.47	0.42
Risk-free interest rate	2.98%	1.74%	0.68%
Dividend yield	1.84%	1.15%	1.44%

The fair value of each stock option is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Expected volatility	34.47%	35.86%	40.31%
Risk-free interest rate	2.76%	2.00%	1.60%
Dividend yield	1.84%	1.15%	1.44%
Expected option life (in years)	4.0	4.0	4.0

The Company used a historical volatility calculated by the mean reversion of the weekly-adjusted closing stock price over the expected life of the options. The risk-free interest rate assumption is based upon observed treasury bill interest rates appropriate for the expected life of the Company's employee stock options. The dividend yield was calculated based on the annualized dividend and the stock price on the date of grant.

The expected life of employee stock options represents a calculation based upon the historical exercise, cancellation and forfeiture experience for the Company across its demographic population. The Company believes that this historical data is the best estimate of the expected life of a new option and that generally all groups of the Company's employees exhibit similar behavior.

10. COMMITMENTS

The Company has various operating leases primarily for buildings, computers and equipment. Rent expense amounted to \$18.7 million, \$20.5 million, and \$20.6 million in the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, respectively. Future minimum payments under these non-cancelable leases for the next five fiscal years are as follows (in millions):

	2020	2021	2022	2023	2024	Thereafter	Total
Future minimum payments	\$26.7	25.9	24.8	23.3	21.5	97.7	\$219.9

11. CONTINGENCIES

Legal Matters

From time to time, various lawsuits, claims and proceedings have been, and may in the future be, instituted or asserted against the Company, including those pertaining to patent infringement, intellectual property, environmental hazards, product liability and warranty, safety and health, employment and contractual matters.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights. From time to time, third parties have asserted and may in the future assert patent, copyright, trademark and other intellectual property rights to technologies that are important to the Company's business and have demanded and may in the future demand that the Company license their technology. The outcome of any such litigation cannot be predicted with certainty and some such lawsuits, claims or proceedings may be disposed of unfavorably to the Company. Generally speaking, intellectual property disputes often have a risk of injunctive relief, which, if imposed against the Company, could materially and adversely affect the Company's financial condition, or results of operations. From time to time the Company may also be involved in legal proceedings in the ordinary course of business.

The Company monitors the status of legal proceedings and other contingencies on an ongoing basis to ensure loss contingencies are recognized and/or disclosed in its financial statements and footnotes. The Company does not believe there are any pending legal proceedings that are reasonably possible to result in a material loss. The Company is engaged in various legal actions in the normal course of business and, while there can be no assurances, the Company believes the outcome of all pending litigation involving the Company will not have, individually or in the aggregate, a material adverse effect on its business or financial statements.

12. GUARANTEES AND INDEMNITIES

The Company has made no significant contractual guarantees for the benefit of third parties. However, the Company generally indemnifies its customers from third-party intellectual property infringement litigation claims related to its products, and, on occasion, also provides other indemnities related to product sales. In connection with certain facility leases, the Company has indemnified its lessors for certain claims arising from the facility or the lease.

The Company indemnifies its directors and officers to the maximum extent permitted under the laws of the state of Delaware. The duration of the indemnities varies, and in many cases is indefinite. The indemnities to customers in connection with product sales generally are subject to limits based upon the amount of the related product sales and in many cases are subject to geographic and other restrictions. In certain instances, the Company's indemnities do not provide for any limitation of the maximum potential future payments the

Company could be obligated to make. The Company has not recorded any liability for these indemnities in the accompanying consolidated balance sheets and does not expect that such obligations will have a material adverse impact on its financial statements.

13. RESTRUCTURING AND OTHER CHARGES

During fiscal 2019, the Company recorded restructuring and other charges of approximately \$6.8 million primarily related to employee severance and other termination benefits as well as charges on a leased facility resulting from restructuring plans initiated during the period. The Company does not anticipate any further significant charges associated with these restructuring activities and the remaining cash payments related to these restructuring plans are not material.

During fiscal 2018, the Company recorded restructuring and other charges of approximately \$0.8 million related to a leased facility.

During fiscal 2017, the Company implemented immaterial restructuring plans and recorded \$0.6 million related to employee severance and other costs.

14. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
Net income	\$ 853.6	\$ 918.4	\$ 1,010.2
Weighted average shares outstanding—basic	173.5	181.3	184.3
Dilutive effect of equity based awards	1.0	1.9	2.4
Weighted average shares outstanding—diluted	174.5	183.2	186.7
Net income per share—basic	\$ 4.92	\$ 5.06	\$ 5.48
Net income per share—diluted	\$ 4.89	\$ 5.01	\$ 5.41
Anti-dilutive common stock equivalents	1.4	0.2	0.6

Basic earnings per share are calculated by dividing net income by the weighted average number of shares of the Company's common stock outstanding during the period. The calculation of diluted earnings per share includes the dilutive effect of equity based awards that were outstanding during the fiscal years ended September 27, 2019, September 28, 2018, and September 29, 2017, using the treasury stock method. Certain of the Company's outstanding share-based awards, noted in the table above, were excluded because they were anti-dilutive, but they could become dilutive in the future.

15. SEGMENT INFORMATION AND CONCENTRATIONS

The Company has a single reportable operating segment which designs, develops, manufactures and markets similar proprietary semiconductor products, including intellectual property. In reaching this conclusion, management considers the definition of the chief operating decision maker ("CODM"), how the business is defined by the CODM, the nature of the information provided to the CODM and how that information is used to make operating decisions, allocate resources and assess performance. The Company's CODM is the president

and chief executive officer. The results of operations provided to and analyzed by the CODM are at the consolidated level and accordingly, key resource decisions and assessment of performance are performed at the consolidated level. The Company assesses its determination of operating segments at least annually.

GEOGRAPHIC INFORMATION

The Company presents net revenue by geographic area based upon the location of the OEMs' headquarters as it believes that doing so best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Net revenue by geographic area is as follows (in millions):

	Fiscal Years Ended		
	September 27, 2019	September 28, 2018	September 29, 2017
United States	\$ 1,860.4	\$ 1,946.2	\$ 1,615.4
China	718.7	982.8	1,018.8
South Korea	365.5	432.7	531.8
Taiwan	271.1	339.1	335.4
Europe, Middle East and Africa	134.9	144.6	117.4
Other Asia-Pacific	26.2	22.6	32.6
Total	\$ 3,376.8	\$ 3,868.0	\$ 3,651.4

The Company's revenue from external customers is generated principally from the sale of semiconductor products that facilitate various wireless communication applications. Accordingly, the Company considers its product offerings to be similar in nature and therefore not segregated for reporting purposes.

Net property, plant and equipment balances, based on the physical locations within the indicated geographic areas are as follows (in millions):

	As of	
	September 27, 2019	September 28, 2018
Japan	\$ 491.9	\$ 328.4
Mexico	351.5	449.4
Singapore	229.9	222.7
United States	117.6	126.6
Rest of world	14.7	13.8
	\$ 1,205.6	\$ 1,140.9

CONCENTRATIONS

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of trade accounts receivable. Trade accounts receivable are primarily derived from sales to manufacturers of communications and consumer products and electronic component distributors. Ongoing credit evaluations of customers' financial condition are performed and collateral, such as letters of credit and bank guarantees, are required whenever deemed necessary.

In fiscal 2019, 2018, and 2017, Apple, through sales to multiple distributors, contract manufacturers and direct sales for multiple applications including smartphones, tablets, desktop and notebook computers, watches and other devices, in the aggregate accounted for 51%, 47%, and 39% of the Company's net revenue, respectively. In

fiscal 2017, Samsung and Huawei in the aggregate accounted for 12% and 10% of the Company's net revenue, respectively.

At September 27, 2019, the Company's three largest accounts receivable balances comprised 67% of aggregate gross accounts receivable. This concentration was 66% and 53% at September 28, 2018, and September 29, 2017, respectively.

16. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes the quarterly and annual results (in millions, except per share data):

	First quarter	Second quarter	Third quarter	Fourth quarter	Fiscal year
Fiscal 2019					
Net revenue	\$ 972.0	\$ 810.4	\$ 767.0	\$ 827.4	\$ 3,376.8
Gross profit	485.1	400.2	312.5	406.0	1,603.8
Net income	284.9	214.0	144.1	210.6	853.6
Per share data(1)					
Net income, basic	\$ 1.61	\$ 1.23	\$ 0.83	\$ 1.23	\$ 4.92
Net income, diluted	\$ 1.60	\$ 1.23	\$ 0.83	\$ 1.22	\$ 4.89
Fiscal 2018					
Net revenue	\$ 1,051.9	\$ 913.4	\$ 894.3	\$ 1,008.4	\$ 3,868.0
Gross profit	536.8	458.7	451.6	503.6	1,950.7
Net income	70.4	276.0	286.5	285.5	918.4
Per share data(1)					
Net income, basic	\$ 0.38	\$ 1.51	\$ 1.58	\$ 1.60	\$ 5.06
Net income, diluted	\$ 0.38	\$ 1.50	\$ 1.57	\$ 1.58	\$ 5.01

- (1) Earnings per share calculations for each of the quarters are based on the weighted average number of shares outstanding and included common stock equivalents in each period. Therefore, the sums of the quarters do not necessarily equal the full year earnings per share.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Skyworks Solutions, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Skyworks Solutions, Inc. and subsidiaries (the Company) as of September 27, 2019 and September 28, 2018, the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the years in the three-year period ended September 27, 2019 and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of September 27, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 27, 2019 and September 28, 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended September 27, 2019, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 27, 2019 based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our

audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

As discussed in Notes 2 and 8 to the consolidated financial statements, the Company has recorded gross unrecognized tax benefits of \$103.3 million in domestic and foreign jurisdictions as of September 27, 2019. The Company records unrecognized tax benefits when there is more than a 50% likelihood that its tax positions will not be sustained upon examination by the taxing authorities. This determination requires the Company's judgement in the interpretation of domestic and international tax laws and regulations.

We identified the assessment of the gross unrecognized tax benefits as a critical audit matter because of the high degree of auditor judgement involved in evaluating the Company's interpretation of domestic and international tax laws and regulations.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's unrecognized tax benefit process, including controls over the interpretation of domestic and international tax laws and regulations. We involved domestic and international tax professionals with specialized skills and knowledge, who assisted in:

- assessing the Company's ongoing compliance with applicable domestic and international tax laws and regulations,

- reading the Company's documentation that provided the basis for its tax positions and evaluating the impact of changes in the Company's tax structure, changes in domestic and international tax laws and regulations, and similar settlements with applicable taxing authorities, and
- evaluating the Company's interpretation of domestic and international tax laws and regulations by developing an independent assessment based on our understanding and interpretation of the domestic and international tax laws and regulations.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Irvine, California

November 14, 2019

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Management's Annual Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of September 27, 2019. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 Internal Control-Integrated Framework.

Based on their assessment, management concluded that, as of September 27, 2019, the Company's internal control over financial reporting is effective based on those criteria.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting as stated within their report which appears herein.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

MARKET INFORMATION AND DIVIDENDS

Our common stock is traded on the Nasdaq Global Select Market under the symbol "SWKS".

The number of stockholders of record of our common stock as of November 12, 2019, was 11,174. On November 12, 2019, the Company announced that the Board of Directors had declared a cash dividend of \$0.44 per share of common stock, payable on December 24, 2019, to stockholders of record as of December 3, 2019. We intend to continue to pay quarterly dividends subject to capital availability and our view that cash dividends are in the best interests of our stockholders. Future cash dividends may be affected by, among other items, our views on potential future capital requirements, including those relating to research and development, creation and expansion of sales distribution channels and investments and acquisitions, legal risks, stock repurchase programs, debt issuance, changes in federal and state income tax law and changes to our business model.

ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information regarding repurchases of common stock made during the fiscal quarter ended September 27, 2019:

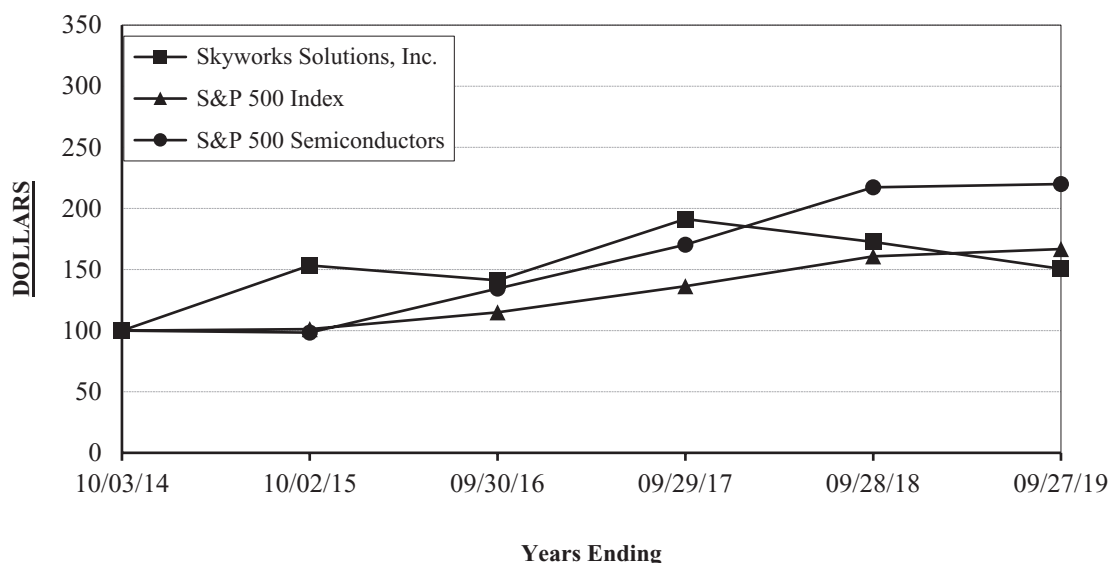
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(1)
6/29/19-7/26/19	1,277(2)	\$81.69	—	\$1.77 billion
7/27/19-8/23/19	780,814(3)	\$76.72	772,437	\$1.71 billion
8/24/19-9/27/19	1,163,658(4)	\$75.00	1,160,559	\$1.63 billion
Total	<u>1,945,749</u>		<u>1,932,996</u>	

- (1) The stock repurchase program approved by the Board of Directors on January 30, 2019, authorizes the repurchase of up to \$2.0 billion of our common stock from time to time on the open market or in privately negotiated transactions as permitted by securities laws and other legal requirements. The January 30, 2019, stock repurchase program replaced in its entirety the January 31, 2018, plan and is scheduled to expire on January 30, 2021.
- (2) Represents shares repurchased by us at the fair market value of the common stock as of the applicable purchase date, in connection with the satisfaction of tax withholding obligations under equity award agreements.
- (3) 772,437 shares were repurchased at an average price of \$76.73 per share as part of our stock repurchase program, and 8,377 shares were repurchased by us at the fair market value of the common stock as of the applicable purchase date, in connection with the satisfaction of tax withholding obligations under equity award agreements with an average price of \$76.33 per share.
- (4) 1,160,559 shares were repurchased at an average price of \$75.01 per share as part of our stock repurchase program, and 3,099 shares were repurchased by us at the fair market value of the common stock as of the applicable purchase date, in connection with the satisfaction of tax withholding obligations under equity award agreements with an average price of \$74.95 per share.

Comparative Stock Performance Graph

The following graph shows the change in Skyworks’ cumulative total stockholder return for the last five fiscal years, based upon the market price of Skyworks’ common stock, compared with: (i) the cumulative total return on the Standard & Poor’s 500 Index and (ii) the Standard & Poor’s 500 Semiconductor Index. The graph assumes a total initial investment of \$100 on October 3, 2014, and shows a “Total Return” that assumes reinvestment of dividends, if any, and is based on market capitalization at the beginning of each period.

Comparison of Cumulative Five-Year Total Return



Total Return to Shareholders
(Includes reinvestment of dividends)

ANNUAL RETURN PERCENTAGE

Company Name / Index	Years Ending				
	10/02/15	09/30/16	09/29/17	09/28/18	09/27/19
Skyworks Solutions, Inc.	53.35	(7.95)	35.54	(9.80)	(12.75)
S&P 500 Index	1.23	13.56	18.61	17.91	3.72
S&P 500 Semiconductors	(1.62)	36.62	26.71	27.59	1.22

INDEXED RETURNS

Company Name / Index	Base Period 10/03/14	Years Ending				
		10/02/15	09/30/16	09/29/17	09/28/18	09/27/19
Skyworks Solutions, Inc.	100	153.35	141.15	191.32	172.57	150.57
S&P 500 Index	100	101.23	114.96	136.35	160.77	166.76
S&P 500 Semiconductors	100	98.38	134.41	170.30	217.28	219.94

Executive Management

Liam K. Griffin

President, Chief Executive Officer and Director

Carlos S. Bori

Senior Vice President, Sales and Marketing

Kari A. Durham

Senior Vice President, Human Resources

Reza Kasnavi

Senior Vice President, Technology and Manufacturing

Joel R. King

Senior Vice President and General Manager, Mobile Solutions

Kris Sennesael

Senior Vice President and Chief Financial Officer

David Stasey

Vice President and General Manager, Diversified Analog Solutions

Robert J. Terry

Senior Vice President, General Counsel and Secretary

Board of Directors

David J. Aldrich

Chairman of the Board, Skyworks Solutions, Inc.

Alan S. Batey

Retired Executive Vice President and President of North America, General Motors

Kevin L. Beebe

President and Chief Executive Officer, 2BPartners, LLC

Timothy R. Furey

Chief Executive Officer, MarketBridge

Liam K. Griffin

President and Chief Executive Officer, Skyworks Solutions, Inc.

Balakrishnan S. Iyer

Retired Senior Vice President and Chief Financial Officer, Conexant Systems, Inc.

Christine King

Lead Independent Director, Skyworks Solutions, Inc.
Retired Executive Chairman, QLogic Corporation

David P. McGlade

Chairman of the Board, Intelsat S.A.

Robert A. Schriesheim

Chairman, Truax Partners LLC

Kimberly S. Stevenson

Senior Vice President and General Manager, NetApp, Inc.

Transfer Agent and Registrar

American Stock Transfer & Trust Company

6201 15th Avenue

Brooklyn, NY 11219

(800) 937-5449 (United States and Canada)

(718) 921-8124 (outside United States)

www.astfinancial.com

Our transfer agent can help you with a variety of stockholder-related services including change of address, lost stock certificates, stock transfers, account status and other administrative matters.

Investor Relations

You can contact Skyworks' Investor Relations team directly to order an Investor's Kit or to ask investment-oriented questions about Skyworks at:

Skyworks Solutions, Inc.

5221 California Avenue

Irvine, CA 92617

(949) 231-3433

investor.relations@skyworksinc.com

You can also view this annual report along with other financial-related information and other public filings with the U.S. Securities and Exchange Commission at: www.skyworksinc.com.

Independent Registered Public Accountants

KPMG LLP

Executive Offices

Skyworks Solutions, Inc.

5221 California Avenue

Irvine, CA 92617

(949) 231-3000

20 Sylvan Road

Woburn, MA 01801

(781) 376-3000

Common Stock

Skyworks common stock is traded on the Nasdaq Global Select Market® under the symbol SWKS.

Annual Meeting

The annual meeting of stockholders will be held virtually on May 6, 2020, at www.virtualshareholdermeeting.com/SWKS2020



***** Exercise Your *Right* to Vote *****
**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on May 6, 2020.**

SKYWORKS SOLUTIONS, INC.

Meeting Information

Meeting Type: Annual Meeting

For holders as of: March 12, 2020

Date: May 6, 2020 **Time:** 2:00 p.m. EDT

Location: Meeting live via the Internet; please visit
www.virtualshareholdermeeting.com/SVKS2020.

The company will be hosting the meeting live via the Internet this year. To attend the meeting via the Internet please visit www.virtualshareholdermeeting.com/SVKS2020 and be sure to have the information that is printed in the box marked by the arrow → (located on the following page).

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at www.proxyvote.com or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.

SAMPLE

— **Before You Vote** —
How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

ANNUAL REPORT PROXY STATEMENT

How to View Online:

Have the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) and visit: www.proxyvote.com.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

- 1) BY INTERNET: www.proxyvote.com
- 2) BY TELEPHONE: 1-800-579-1639
- 3) BY E-MAIL*: sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 22, 2020 to facilitate timely delivery.

— **How To Vote** —

Please Choose One of the Following Voting Methods

Vote By Internet:

Before The Meeting:

Go to www.proxyvote.com. Have the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) available and follow the instructions.

During The Meeting:

Go to www.virtualshareholdermeeting.com/SWKS2020. Have the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

Voting Items

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR NAMED IN PROPOSAL 1, "FOR" PROPOSALS 2, 3, 4, 5, 6, 7, AND 8, AND "AGAINST" PROPOSAL 9.

1. To elect the following nine individuals nominated to serve as directors of the Company with terms expiring at the next Annual Meeting of Stockholders.

Nominees:

- 1a. David J. Aldrich
 - 1b. Alan S. Batey
 - 1c. Kevin L. Beebe
 - 1d. Timothy R. Furey
 - 1e. Liam K. Griffin
 - 1f. Christine King
 - 1g. David P. McGlade
 - 1h. Robert A. Schriesheim
 - 1i. Kimberly S. Stevenson
2. To ratify the selection by the Company's Audit Committee of KPMG LLP as the independent registered public accounting firm for the Company for fiscal year 2020.
 3. To approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Company's Proxy Statement.

4. To approve an amendment to the Company's 2002 Employee Stock Purchase Plan, as Amended.
5. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a merger or consolidation, disposition of all or substantially all of the Company's assets, or issuance of a substantial amount of the Company's securities.
6. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a business combination with any related person.
7. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of charter provisions governing directors.
8. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of the charter provision governing action by stockholders.
9. To approve a stockholder proposal regarding a right by stockholders to act by written consent.

SAMPLE

SAMPLE

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Annual Report and Proxy Statement are available at www.skyworksinc.com/annualreport.

E96767-Z76356-P31925

SKYWORKS SOLUTIONS, INC.
Annual Meeting of Stockholders
May 6, 2020, 2:00 p.m. EDT
This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Liam K. Griffin and Robert J. Terry, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of SKYWORKS SOLUTIONS, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 2:00 p.m., EDT on May 6, 2020, held virtually at www.virtualshareholdermeeting.com/SWKS2020, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side

VOTE BY INTERNET

Before The Meeting - Go to www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on May 5, 2020 for shares held directly and by 11:59 p.m. Eastern Time on May 1, 2020 for shares held in a Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/SWKS2020

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on May 5, 2020 for shares held directly and by 11:59 p.m. Eastern Time on May 1, 2020 for shares held in a Plan. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E96766-Z76356-P31925

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

SKYWORKS SOLUTIONS, INC.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR NAMED IN PROPOSAL 1, "FOR" PROPOSALS 2, 3, 4, 5, 6, 7, AND 8, AND "AGAINST" PROPOSAL 9.

1. To elect the following nine individuals nominated to serve as directors of the Company with terms expiring at the next Annual Meeting of Stockholders.

Nominees:

	For	Against	Abstain
1a. David J. Aldrich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1b. Alan S. Batey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1c. Kevin L. Beebe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1d. Timothy R. Furey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1e. Liam K. Griffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1f. Christine King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1g. David P. McGlade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1h. Robert A. Schriesheim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1i. Kimberly S. Stevenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. To ratify the selection by the Company's Audit Committee of KPMG LLP as the independent registered public accounting firm for the Company for fiscal year 2020.

	For	Against	Abstain
3. To approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Company's Proxy Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve an amendment to the Company's 2002 Employee Stock Purchase Plan, as Amended.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a merger or consolidation, disposition of all or substantially all of the Company's assets, or issuance of a substantial amount of the Company's securities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provisions relating to stockholder approval of a business combination with any related person.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of charter provisions governing directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote provision relating to stockholder amendment of the charter provision governing action by stockholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To approve a stockholder proposal regarding a right by stockholders to act by written consent.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date