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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended **June 28, 2024**

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **001-05560**

**Skyworks Solutions, Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of incorporation or organization)*

**04-2302115**

*(I.R.S. Employer Identification No.)*

**5260 California Avenue**

**Irvine, California**

*(Address of principal executive offices)*

**92617**

*(Zip Code)*

**(949) 231-3000**

*(Registrant's telephone number, including area code)*

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.25 per share	SWKS	Nasdaq Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of July 25, 2024, the registrant had 159,716,371 shares of common stock, par value \$0.25 per share, outstanding.

**SKYWORKS SOLUTIONS, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE QUARTER ENDED JUNE 28, 2024**

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**PART 1. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.**

**SKYWORKS SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net revenue	\$ 905.5	\$ 1,071.2	\$ 3,153.0	\$ 3,553.6
Cost of goods sold	541.4	607.1	1,862.0	1,924.4
Gross profit	364.1	464.1	1,291.0	1,629.2
Operating expenses:				
Research and development	160.7	148.0	468.1	460.0
Selling, general, and administrative	71.2	77.2	226.7	240.7
Amortization of intangibles	0.2	3.8	0.7	29.5
Restructuring, impairment, and other charges	1.6	4.4	17.5	28.0
Total operating expenses	233.7	233.4	713.0	758.2
Operating income	130.4	230.7	578.0	871.0
Interest expense	(6.6)	(16.2)	(23.8)	(52.0)
Other income, net	9.6	7.6	23.8	13.6
Income before income taxes	133.4	222.1	578.0	832.6
Provision for income taxes	12.5	26.3	42.5	94.6
Net income	\$ 120.9	\$ 195.8	\$ 535.5	\$ 738.0
Earnings per share:				
Basic	\$ 0.75	\$ 1.23	\$ 3.34	\$ 4.63
Diluted	\$ 0.75	\$ 1.22	\$ 3.32	\$ 4.61
Weighted average shares:				
Basic	160.4	159.2	160.2	159.4
Diluted	161.4	160.0	161.4	160.0

See accompanying Notes to Consolidated Financial Statements.

**SKYWORKS SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited, in millions)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 28, 2024</u>	<u>June 30, 2023</u>	<u>June 28, 2024</u>	<u>June 30, 2023</u>
Net income	\$ 120.9	\$ 195.8	\$ 535.5	\$ 738.0
Other comprehensive income (loss), net of tax:				
Pension adjustments	—	—	(0.1)	(0.8)
Comprehensive income	<u>\$ 120.9</u>	<u>\$ 195.8</u>	<u>\$ 535.4</u>	<u>\$ 737.2</u>

See accompanying Notes to Consolidated Financial Statements.

**SKYWORKS SOLUTIONS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except per share amounts)

	As of	
	June 28, 2024 (unaudited)	September 29, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,263.4	\$ 718.8
Marketable securities	5.6	15.6
Receivables, net of allowances of \$0.9 and \$0.8, respectively	607.4	864.3
Inventory	822.8	1,119.7
Other current assets	539.9	461.1
Total current assets	3,239.1	3,179.5
Property, plant, and equipment, net	1,265.3	1,390.1
Operating lease right-of-use assets	197.0	205.4
Goodwill	2,176.7	2,176.7
Intangible assets, net	1,075.6	1,222.1
Deferred tax assets, net	192.9	192.3
Marketable securities	14.9	4.1
Other long-term assets	74.9	56.5
Total assets	\$ 8,236.4	\$ 8,426.7
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 160.9	\$ 159.2
Accrued compensation and benefits	115.9	94.3
Current portion of long-term debt	—	299.4
Other current liabilities	286.1	402.8
Total current liabilities	562.9	955.7
Long-term debt	994.0	992.9
Long-term tax liabilities	119.9	162.8
Long-term operating lease liabilities	187.1	188.7
Other long-term liabilities	36.1	43.9
Total liabilities	1,900.0	2,344.0
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, no par value: 25.0 shares authorized, no shares issued	—	—
Common stock, \$0.25 par value: 525.0 shares authorized; 159.7 shares issued and outstanding at June 28, 2024, and 159.5 shares issued and outstanding at September 29, 2023	39.9	39.9
Additional paid-in capital	217.8	172.4
Retained earnings	6,084.4	5,876.0
Accumulated other comprehensive loss	(5.7)	(5.6)
Total stockholders' equity	6,336.4	6,082.7
Total liabilities and stockholders' equity	\$ 8,236.4	\$ 8,426.7

See accompanying Notes to Consolidated Financial Statements.

**SKYWORKS SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in millions)

	Nine Months Ended	
	June 28, 2024	June 30, 2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 535.5	\$ 738.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	142.1	135.2
Depreciation	196.3	295.8
Amortization of intangible assets	139.6	174.7
Deferred income taxes	(2.2)	(86.3)
Asset impairment charges	16.8	17.0
Amortization of debt discount and issuance costs	2.0	2.9
Other, net	(6.6)	(2.2)
Changes in assets and liabilities:		
Receivables, net	256.9	367.2
Inventory	291.5	(24.9)
Accounts payable	0.4	(98.3)
Other current and long-term assets and liabilities	(223.7)	(28.2)
<b>Net cash provided by operating activities</b>	<b>1,348.6</b>	<b>1,490.9</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(74.2)	(140.2)
Purchased intangibles	(20.2)	(18.8)
Purchases of marketable securities	(25.7)	(282.1)
Sales and maturities of marketable securities	25.3	289.0
Other	10.3	5.9
<b>Net cash used in investing activities</b>	<b>(84.5)</b>	<b>(146.2)</b>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock - payroll tax withholdings on equity awards	(34.4)	(33.6)
Repurchase of common stock - stock repurchase program	(77.3)	(175.3)
Dividends paid	(327.1)	(296.7)
Net proceeds from exercise of stock options	1.1	1.0
Proceeds from employee stock purchase plan	18.2	15.5
Payments of debt	(300.0)	(700.0)
<b>Net cash used in financing activities</b>	<b>(719.5)</b>	<b>(1,189.1)</b>
Net increase in cash and cash equivalents	544.6	155.6
Cash and cash equivalents at beginning of period	718.8	566.0
Cash and cash equivalents at end of period	<u>\$ 1,263.4</u>	<u>\$ 721.6</u>
<b>Supplemental cash flow disclosures:</b>		
Income taxes paid	\$ 154.3	\$ 177.8
Interest paid	\$ 27.7	\$ 48.9
Incentives paid in common stock	\$ 1.2	\$ 19.2
Non-cash investing in capital expenditures, accrued but not paid	\$ 34.3	\$ 20.9
Operating lease assets obtained in exchange for new lease liabilities	\$ 14.5	\$ 6.0

See accompanying Notes to Consolidated Financial Statements.

**SKYWORKS SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited, in millions)

	Shares of common stock	Par value of common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance at September 29, 2023	159.5	\$ 39.9	\$ 172.4	\$ 5,876.0	\$ (5.6)	\$ 6,082.7
Net income	—	—	—	231.3	—	231.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.7	0.2	(30.6)	—	—	(30.4)
Share-based compensation expense	—	—	52.6	—	—	52.6
Dividends declared	—	—	—	(108.9)	—	(108.9)
Other comprehensive loss	—	—	—	—	(0.1)	(0.1)
Balance at December 29, 2023	<u>160.2</u>	<u>\$ 40.1</u>	<u>\$ 194.4</u>	<u>\$ 5,998.4</u>	<u>\$ (5.7)</u>	<u>\$ 6,227.2</u>
Net income	—	\$ —	\$ —	\$ 183.3	\$ —	\$ 183.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	—	17.5	—	—	17.5
Share-based compensation expense	—	—	40.3	—	—	40.3
Dividends declared	—	—	—	(109.1)	—	(109.1)
Balance at March 29, 2024	<u>160.4</u>	<u>\$ 40.1</u>	<u>\$ 252.2</u>	<u>\$ 6,072.6</u>	<u>\$ (5.7)</u>	<u>\$ 6,359.2</u>
Net income	—	\$ —	\$ —	\$ 120.9	\$ —	\$ 120.9
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.1	—	(1.0)	—	—	(1.0)
Share-based compensation expense	—	—	43.8	—	—	43.8
Repurchase of common stock	(0.8)	(0.2)	(77.2)	—	—	(77.4)
Dividends declared	—	—	—	(109.1)	—	(109.1)
Balance at June 28, 2024	<u>159.7</u>	<u>\$ 39.9</u>	<u>\$ 217.8</u>	<u>\$ 6,084.4</u>	<u>\$ (5.7)</u>	<u>\$ 6,336.4</u>
Balance at September 30, 2022	160.2	\$ 40.0	\$ 11.9	\$ 5,421.9	\$ (4.8)	\$ 5,469.0
Net income	—	—	—	309.4	—	309.4
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.7	0.2	(11.9)	—	—	(11.7)
Share-based compensation expense	—	—	49.7	—	—	49.7
Repurchase of common stock	(1.8)	(0.5)	(45.8)	(120.0)	—	(166.3)
Dividends declared	—	—	—	(99.4)	—	(99.4)
Other comprehensive loss	—	—	—	—	(0.8)	(0.8)
Balance at December 30, 2022	<u>159.1</u>	<u>\$ 39.7</u>	<u>\$ 3.9</u>	<u>\$ 5,511.9</u>	<u>\$ (5.6)</u>	<u>\$ 5,549.9</u>
Net income	—	\$ —	\$ —	\$ 232.8	\$ —	\$ 232.8
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	—	14.9	—	—	14.9
Share-based compensation expense	—	—	43.0	—	—	43.0
Repurchase of common stock	(0.1)	—	(5.6)	(3.5)	—	(9.1)
Dividends declared	—	—	—	(98.6)	—	(98.6)
Balance at March 31, 2023	<u>159.2</u>	<u>\$ 39.7</u>	<u>\$ 56.2</u>	<u>\$ 5,642.6</u>	<u>\$ (5.6)</u>	<u>\$ 5,732.9</u>
Net income	—	\$ —	\$ —	\$ 195.8	\$ —	\$ 195.8
Exercise and settlement of share-based awards, net of shares withheld for taxes	—	0.1	(1.0)	—	—	(0.9)
Share-based compensation expense	—	—	48.8	—	—	48.8
Dividends declared	—	—	—	(98.7)	—	(98.7)
Balance at June 30, 2023	<u>159.2</u>	<u>\$ 39.8</u>	<u>\$ 104.0</u>	<u>\$ 5,739.7</u>	<u>\$ (5.6)</u>	<u>\$ 5,877.9</u>

See accompanying Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting. Certain information and footnote disclosures, normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), have been condensed or omitted pursuant to those rules and regulations. However, in management’s opinion, the financial information reflects all adjustments, including those of a normal recurring nature, necessary to present fairly the results of operations, financial position, and cash flows of the Company for the periods presented. The results of operations, financial position, and cash flows for the Company during the interim periods are not necessarily indicative of those expected for the full year. This information should be read in conjunction with the Company’s financial statements and notes thereto contained in the Company’s Annual Report on Form 10-K for the fiscal year ended September 29, 2023, filed with the SEC on November 17, 2023, as amended by Amendment No. 1 to such Annual Report on Form 10-K, filed with the SEC on January 26, 2024 (“2023 10-K”). Certain items in the prior period financial statements have been reclassified to conform to the current period presentation.

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 that are reported during the reporting period. The Company evaluates its estimates on an ongoing basis using historical experience and other factors, including the current economic environment. Judgment is required in determining the reserves for, and fair value of, items such as overall fair value assessments of assets and liabilities, particularly those classified as Level 2 or Level 3 in the fair value hierarchy, marketable securities, inventory, intangible assets associated with business combinations, share-based compensation, revenue reserves, loss contingencies, and income taxes. In addition, 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.

The Company’s fiscal year ends on the Friday closest to September 30. The fiscal year ending on September 27, 2024 consists of 52 weeks (“fiscal 2024”). The fiscal year ended on September 29, 2023 consisted of 52 weeks (“fiscal 2023”). The three and nine months ended June 28, 2024, and June 30, 2023, each consisted of 13 weeks and 39 weeks, respectively.

#### ***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 forty years for buildings and improvements and from five 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.

During the nine months ended June 28, 2024, the Company changed its accounting estimate for the expected useful lives of certain machinery and equipment. The Company evaluated its current asset base and reassessed the estimated useful lives of certain machinery and equipment in connection with its recent usage of older equipment, including considering the technological and physical obsolescence of such machinery and equipment. Based on its ability to re-use equipment across generations of process technologies and historical usage trends, the Company determined that the expected useful lives for certain machinery and equipment should be increased by up to two years to reflect more closely the estimated economic lives of those assets. This change in estimate was applied prospectively effective during the first quarter of fiscal 2024 and resulted in a decrease in depreciation expense of \$18.9 million and \$56.6 million for the three and nine months ended June 28, 2024, respectively. This benefit decreased cost of goods sold by \$8.9 million and \$10.7 million and decreased research and development expenses by \$2.4 million and \$7.4 million for the three and nine months ended June 28, 2024, respectively, and decreased ending inventory by \$38.5 million as of June 28, 2024. As a result of this change in accounting estimate, net income increased by \$11.3 million and \$18.1 million and diluted earnings per share increased by \$0.07 and \$0.11 for the three and nine months ended June 28, 2024, respectively.



**Recently Issued Accounting Pronouncements**

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure” (“ASU 2023-07”). ASU 2023-07 requires disclosure of incremental segment information on an annual and interim basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-07 on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”). ASU 2023-09 includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on either a prospective or retrospective basis, with early adoption permitted. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

**2. REVENUE RECOGNITION**

The Company presents net revenue by geographic area, based upon the location of the original equipment manufacturers’ (“OEMs”) headquarters, and by sales channel, 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. Individually insignificant OEMs are presented based upon the location of the Company’s direct customer, which is typically a distributor.

Net revenue by geographic area is as follows (in millions):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
United States	\$ 658.5	\$ 793.9	\$ 2,422.8	\$ 2,668.8
China	75.9	81.6	232.7	277.0
Taiwan	80.7	81.2	226.1	252.0
South Korea	52.9	48.1	158.1	139.6
Europe, Middle East, and Africa	31.3	51.3	87.6	164.0
Other Asia-Pacific	6.2	15.1	25.7	52.2
Total net revenue	\$ 905.5	\$ 1,071.2	\$ 3,153.0	\$ 3,553.6

Net revenue by sales channel is as follows (in millions):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Distributors	\$ 767.1	\$ 937.0	\$ 2,745.0	\$ 3,183.1
Direct customers	138.4	134.2	408.0	370.5
Total net revenue	\$ 905.5	\$ 1,071.2	\$ 3,153.0	\$ 3,553.6

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.

### 3. MARKETABLE SECURITIES

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

	Current		Noncurrent	
	June 28, 2024	September 29, 2023	June 28, 2024	September 29, 2023
U.S. Treasury and government securities	\$ 5.2	\$ 15.1	\$ 14.9	\$ 4.1
Corporate bonds and notes	0.3	—	—	—
Municipal bonds	0.1	0.5	—	—
Total marketable securities	\$ 5.6	\$ 15.6	\$ 14.9	\$ 4.1

Neither gross unrealized gains and losses nor realized gains and losses were material as of June 28, 2024, or September 29, 2023.

### 4. FAIR VALUE

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

The Company groups its financial assets and liabilities measured at fair value on a recurring basis in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- 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.

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

	As of							
	June 28, 2024				September 29, 2023			
	Fair Value Measurements				Fair Value Measurements			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<b>Assets</b>								
Cash and cash equivalents (1)	\$ 1,263.4	\$ 1,263.0	\$ 0.4	\$ —	\$ 718.8	\$ 718.5	\$ 0.3	\$ —
U.S. Treasury and government securities	20.1	1.6	18.5	—	19.2	—	19.2	—
Corporate bonds and notes	0.3	—	0.3	—	—	—	—	—
Municipal bonds	0.1	—	0.1	—	0.5	—	0.5	—
Total assets at fair value	\$ 1,283.9	\$ 1,264.6	\$ 19.3	\$ —	\$ 738.5	\$ 718.5	\$ 20.0	\$ —

(1) Cash equivalents included in Levels 1 and 2 consist of money market funds, municipal bonds, and U.S. Treasury and government 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. During the three and nine months ended June 28, 2024, the Company recorded impairment charges of \$0.7 million and \$16.8 million, respectively. The impairment charges for the nine months ended June 28, 2024 primarily related to the abandonment of a previously capitalized in-process research and development ("IPR&D") project. During the three months ended June 30, 2023, there were no indicators of impairment identified. During the nine months ended June 30, 2023, the Company recorded impairment charges of \$17.0 million.

### Fair Value of Debt

The Company's debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair values are based on Level 2 inputs as the fair value is based on quoted prices for the Company's debt and comparable instruments in inactive markets.

The carrying amount and estimated fair value of debt consists of the following (in millions):

	As of			
	June 28, 2024		September 29, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
1.80% Senior Notes due 2026	\$ 498.4	\$ 465.1	\$ 497.7	\$ 444.5
3.00% Senior Notes due 2031	495.6	424.8	495.2	390.4
Total debt under Senior Notes	<u>\$ 994.0</u>	<u>\$ 889.9</u>	<u>\$ 992.9</u>	<u>\$ 834.9</u>

### 5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	June 28, 2024	September 29, 2023
	Carrying Amount	Estimated Fair Value
Raw materials	\$ 29.6	\$ 57.2
Work-in-process	607.2	746.8
Finished goods	186.0	315.7
Total inventory	<u>\$ 822.8</u>	<u>\$ 1,119.7</u>

### 6. PROPERTY, PLANT, AND EQUIPMENT, NET

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

	As of	
	June 28, 2024	September 29, 2023
	Carrying Amount	Estimated Fair Value
Land and improvements	\$ 11.9	\$ 11.8
Buildings and improvements	603.3	588.2
Furniture and fixtures	79.1	74.8
Machinery and equipment	3,394.4	3,389.3
Construction in progress	57.2	107.6
Total property, plant, and equipment, gross	4,145.9	4,171.7
Accumulated depreciation	(2,880.6)	(2,781.6)
Total property, plant, and equipment, net	<u>\$ 1,265.3</u>	<u>\$ 1,390.1</u>

### 7. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the carrying amount of goodwill during the three and nine months ended June 28, 2024.

The Company tests its goodwill for impairment annually as of the first day of its fourth fiscal quarter and in interim periods if certain events occur indicating the carrying value of goodwill may be impaired. There were no indicators of impairment noted during the three and nine months ended June 28, 2024.

Intangible assets consist of the following (in millions):

	Weighted Average Amortization Period (Years)	As of					
		June 28, 2024			September 29, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology and other	6.3	\$ 1,379.6	\$ (500.4)	\$ 879.2	\$ 1,290.4	\$ (379.4)	\$ 911.0
Technology licenses	3.1	72.5	(42.1)	30.4	75.8	(36.0)	39.8
In-process research and development		166.0	—	166.0	271.3	—	271.3
Total intangible assets		\$ 1,618.1	\$ (542.5)	\$ 1,075.6	\$ 1,637.5	\$ (415.4)	\$ 1,222.1

Fully amortized intangible assets are eliminated from both the gross and accumulated amortization amounts in the first quarter of each fiscal year. During the three months ended June 28, 2024, \$33.4 million of IPR&D assets were transferred to definite-lived intangible assets, and are being amortized over their useful lives of 12 years. During the nine months ended June 28, 2024, \$89.1 million of IPR&D assets were transferred to definite-lived intangible assets, of which \$33.4 million is being amortized over their useful lives of 12 years and \$55.7 million is being amortized over their useful lives of 8 years. During the nine months ended June 30, 2023, \$9.5 million of IPR&D assets were transferred to definite-lived intangible assets, and are being amortized over their useful lives of 12 years. Amortization expense related to definite-lived intangible assets was \$46.0 million and \$139.6 million for the three and nine months ended June 28, 2024, respectively. Amortization expense related to definite-lived intangible assets was \$51.3 million and \$174.7 million for the three and nine months ended June 30, 2023, respectively.

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

	Remaining 2024	2025	2026	2027	2028	Thereafter
Amortization expense	\$ 46.5	\$ 167.9	\$ 140.0	\$ 124.0	\$ 100.1	\$ 331.1

## 8. INCOME TAXES

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

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
United States income taxes	\$ 8.6	\$ 17.5	\$ 16.0	\$ 60.0
Foreign income taxes	3.9	8.8	26.5	34.6
Provision for income taxes	\$ 12.5	\$ 26.3	\$ 42.5	\$ 94.6
Effective tax rate	9.4 %	11.8 %	7.4 %	11.4 %

The difference between the Company's effective tax rate and the 21.0% United States federal statutory rate for the three and nine months ended June 28, 2024 and June 30, 2023 resulted primarily from foreign earnings taxed at rates lower than the federal statutory rate, a benefit from foreign-derived intangible income deduction ("FDII"), and research and experimentation and foreign tax credits earned, partially offset by a tax on global intangible low-taxed income ("GILTI"), and tax expense related to share-based compensation shortfalls.

In August 2022, the U.S. government enacted the Inflation Reduction Act, which imposes a corporate alternative minimum tax ("CAMT") of 15% on corporations with three-year average annual adjusted financial statement income exceeding \$1.0 billion. The Company is subject to the provisions of CAMT in fiscal 2024. CAMT had no impact to the Company's consolidated financial statements for the three and nine months ended June 28, 2024.

## 9. COMMITMENTS AND 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 assess whether loss contingencies should be recognized and 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.

### *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.

### *Purchase Commitments*

The Company purchases materials primarily pursuant to individual purchase orders, some of which have underlying master purchase agreements. Some of these purchase commitments are cancellable, and some are non-cancelable, depending on the terms with each individual supplier. In the event of cancellation, the Company may be required to pay costs incurred through the date of cancellation or other fees. When cancellation would result in incurring costs or other fees, the Company has historically sought to negotiate amended terms to the original agreements and orders to limit its exposure. As such, the Company believes that purchase commitments as of any particular date may not be a reliable indicator of future commitments.

The Company maintains certain minimum purchase commitments under long-term capacity reservation agreements primarily with foundries for the purchase of wafers. Under these agreements, the Company has agreed to pay a combination of refundable deposits and prepayments to the suppliers in exchange for reserved manufacturing production capacity over the term of the agreements. As of June 28, 2024, the deposits and prepayments under the long-term capacity reservation agreements were \$141.7 million and \$2.5 million, respectively, recorded within other current assets, and \$1.4 million and \$22.6 million, respectively, recorded within other long-term assets. As of September 29, 2023, the deposits and prepayments under the long-term capacity reservation agreements were \$41.7 million and \$1.3 million, respectively, recorded within other current assets and \$16.0 million of prepayments recorded within other long-term assets.

## 10. STOCKHOLDERS' EQUITY

### Stock Repurchase

On January 31, 2023, the Board of Directors approved a stock repurchase program ("January 31, 2023 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 through February 1, 2025, on the open market or in privately negotiated transactions, in compliance with applicable securities laws and other legal requirements. The January 31, 2023 stock repurchase program succeeds in its entirety the stock repurchase program approved by the Board of Directors on January 26, 2021 ("January 26, 2021 stock repurchase program"). The timing and amount of any shares of the Company's common stock that are repurchased under the January 31, 2023 stock repurchase program will be determined by the Company's management based on its evaluation of market conditions and other factors. The January 31, 2023 stock repurchase program may be suspended or discontinued at any time. The Company currently expects to fund the January 31, 2023 stock repurchase program using the Company's working capital.

During the three and nine months ended June 28, 2024, the Company paid \$77.4 million (including commissions and excise tax, as applicable) in connection with the repurchase of 0.8 million shares of its common stock (paying an average price of \$101.33 per share), all of which shares were repurchased pursuant to the January 31, 2023 stock repurchase program. As of June 28, 2024, \$1.9 billion remained available under the January 31, 2023 stock repurchase program.

During the three months ended June 30, 2023, the Company did not repurchase any shares of its common stock pursuant to the January 31, 2023 stock repurchase program. During the nine months ended June 30, 2023, the Company paid \$175.3 million (including commissions) in connection with the repurchase of 1.9 million shares of its common stock (paying an average price of \$90.60 per share), all of which shares were repurchased pursuant to the January 26, 2021 stock repurchase program.

### Dividends

On July 30, 2024, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$0.70 per share. This dividend is payable on September 10, 2024, to the Company's stockholders of record as of the close of business on August 20, 2024.

Dividends charged to retained earnings were as follows (in millions, except per share data):

	Fiscal Years Ended			
	September 27, 2024		September 29, 2023	
	Per Share	Total Amount	Per Share	Total Amount
First quarter	\$ 0.68	\$ 108.9	\$ 0.62	\$ 99.4
Second quarter	0.68	109.1	0.62	98.6
Third quarter	0.68	109.1	0.62	98.7
Total dividends	\$ 2.04	\$ 327.1	\$ 1.86	\$ 296.7

### Share-based Compensation

The following table summarizes the share-based compensation expense by line item in the Consolidated Statements of Operations (in millions):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Cost of goods sold	\$ 5.7	\$ 3.3	\$ 26.1	\$ 13.4
Research and development	21.8	24.4	67.1	69.7
Selling, general, and administrative	15.2	17.1	48.9	52.1
Total share-based compensation	\$ 42.7	\$ 44.8	\$ 142.1	\$ 135.2

## 11. EARNINGS PER SHARE

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

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net income	\$ 120.9	\$ 195.8	\$ 535.5	\$ 738.0
Weighted average shares outstanding – basic	160.4	159.2	160.2	159.4
Dilutive effect of equity-based awards	1.0	0.8	1.2	0.6
Weighted average shares outstanding – diluted	161.4	160.0	161.4	160.0
Net income per share – basic	\$ 0.75	\$ 1.23	\$ 3.34	\$ 4.63
Net income per share – diluted	\$ 0.75	\$ 1.22	\$ 3.32	\$ 4.61
Anti-dilutive common stock equivalents	0.3	0.7	—	0.5

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 three and nine months ended June 28, 2024, and June 30, 2023, using the treasury stock method. Shares issuable upon the vesting of performance stock awards are likewise included in the calculation of diluted earnings per share as of the date the condition(s) have been satisfied, assuming the end of the reporting period was the end of the contingency period. 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.

## 12. SUPPLEMENTAL FINANCIAL INFORMATION

Other current assets consist of the following (in millions):

	As of	
	June 28, 2024	September 29, 2023
Prepaid expenses	\$ 233.7	\$ 306.0
Other	306.2	155.1
Total other current assets	\$ 539.9	\$ 461.1

Other current liabilities consist of the following (in millions):

	As of	
	June 28, 2024	September 29, 2023
Accrued customer liabilities	\$ 197.6	\$ 270.9
Accrued taxes	36.3	58.8
Short-term operating lease liabilities	19.7	28.3
Other	32.5	44.8
Total other current liabilities	\$ 286.1	\$ 402.8

## **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This report and other documents we have filed with the SEC contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and are 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,” “continues,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “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 report. Additionally, statements concerning future matters such as the possible impacts of geopolitical conflicts, inflation, recession, and global health crises, as well as the development of new products, enhancements of technologies, sales levels, expense levels, the benefits of acquisitions we have made or may make in the future, and other statements regarding matters that are not historical are forward-looking statements. Although forward-looking statements in this report reflect the good faith judgment of our management as of the date the statement is first made, such statements can only be based on facts and factors then 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 in the 2023 10-K, under the heading “Risk Factors” and in the other documents filed by us with the 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 the initial filing of this Quarterly Report on Form 10-Q. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

In this document, the words “we,” “our,” “ours,” “us,” and “the Company” refer only to Skyworks Solutions, Inc., and its subsidiaries and not any other person or entity.



**RESULTS OF OPERATIONS****Three and Nine Months Ended June 28, 2024, and June 30, 2023**

The following table sets forth the results of our operations expressed as a percentage of net revenue:

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	59.8	56.7	59.1	54.2
Gross profit	40.2	43.3	40.9	45.8
Operating expenses:				
Research and development	17.7	13.8	14.8	12.9
Selling, general, and administrative	7.9	7.2	7.2	6.8
Amortization of intangibles	—	0.4	—	0.8
Restructuring, impairment, and other charges	0.2	0.4	0.6	0.8
Total operating expenses	25.8	21.8	22.6	21.3
Operating income	14.4	21.5	18.3	24.4
Interest expense	0.7	1.5	0.8	1.5
Other income, net	1.1	0.7	0.8	0.4
Income before income taxes	14.8	20.7	18.3	23.4
Provision for income taxes	1.4	2.5	1.3	2.7
Net income	13.4 %	18.3 %	17.0 %	20.8 %

**OVERVIEW**

We, together with our consolidated subsidiaries, are empowering the wireless networking revolution. Our highly innovative analog and mixed-signal 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, defense, entertainment and gaming, industrial, medical, smartphone, tablet, and wearable markets.

**General**

During the three months ended June 28, 2024, the following key factors contributed to our overall results of operations, financial position, and cash flows:

- Net revenue decreased to \$905.5 million for the three months ended June 28, 2024, as compared to \$1,071.2 million for the corresponding period in fiscal 2023, driven primarily by a decrease in demand for our mobile and mixed-signal products.
- Our ending cash, cash equivalents, and marketable securities balance increased to \$1,283.9 million. The increase in cash, cash equivalents, and marketable securities during the three months ended June 28, 2024, was primarily due to cash generated from operations of \$273.5 million, partially offset by dividend payments of \$109.1 million, share repurchases of \$77.4 million, and capital expenditures of \$24.4 million.

### Net Revenue

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Net revenue	\$ 905.5	(15.5)%	\$ 1,071.2	\$ 3,153.0	(11.3)%	\$ 3,553.6

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

The decrease in net revenue for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was driven primarily by a decrease in demand for our mobile and mixed-signal products.

### Gross Profit

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Gross profit	\$ 364.1	(21.5)%	\$ 464.1	\$ 1,291.0	(20.8)%	\$ 1,629.2
% of net revenue	40.2 %		43.3 %	40.9 %		45.8 %

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, share-based compensation expense, and amortization of acquisition intangibles) 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 intend to improve gross profit with efforts to increase unit volumes, improve manufacturing efficiencies, lower manufacturing costs of existing products, and by introducing new and higher value-added products.

The decrease in gross profit for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily the result of an unfavorable product mix, lower unit volumes, and lower average selling prices.

### Research and Development

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Research and development	\$ 160.7	8.6%	\$ 148.0	\$ 468.1	1.8%	\$ 460.0
% of net revenue	17.7 %		13.8 %	14.8 %		12.9 %

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, non-production masks, engineering prototypes, and design tool costs.

The increase in research and development expenses for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily related to an increase in certain headcount-related expenses as a result of our increased investment in developing new technologies and products, partially offset by a decrease in depreciation expense as a result of extending the useful lives of certain machinery and equipment. For information regarding this change in accounting estimate, refer to Note 1 of the Notes to Consolidated Financial Statements.

### ***Selling, General, and Administrative***

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Selling, general, and administrative	\$ 71.2	(7.8)%	\$ 77.2	\$ 226.7	(5.8)%	\$ 240.7
% of net revenue	7.9 %		7.2 %	7.2 %		6.8 %

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 for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily related to a gain on the sale of property, plant, and equipment, a decrease in professional services costs, and a decrease in share-based compensation.

### ***Amortization of Intangibles***

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Amortization of intangibles	\$ 0.2	(94.7)%	\$ 3.8	\$ 0.7	(97.6)%	\$ 29.5
% of net revenue	— %		0.4 %	— %		0.8 %

The decrease in amortization expense for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily due to certain intangible assets that were acquired in prior fiscal years reaching the end of their useful lives.

### ***Restructuring, Impairment, and Other Charges***

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Restructuring, impairment, and other charges	\$ 1.6	(63.6)%	\$ 4.4	\$ 17.5	(37.5)%	\$ 28.0
% of net revenue	0.2 %		0.4 %	0.6 %		0.8 %

Restructuring, impairment, and other charges for the three months ended June 28, 2024 was primarily due to employee severance costs. Restructuring, impairment, and other charges for the nine months ended June 28, 2024 was primarily related to the abandonment of a previously capitalized IPR&D project.

Restructuring, impairment, and other charges for the three months ended June 30, 2023 was primarily due to employee severance costs. Restructuring, impairment, and other charges for the nine months ended June 30, 2023 was primarily due to impairment charges on divested assets.

### ***Interest Expense***

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Interest expense	\$ 6.6	(59.3)%	\$ 16.2	\$ 23.8	(54.2)%	\$ 52.0
% of net revenue	0.7 %		1.5 %	0.8 %		1.5 %

The decrease in interest expense for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was due to the repayment of the outstanding balance on the Term Loans (as defined below).

### Other Income, Net

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Other income, net	\$ 9.6	26.3%	\$ 7.6	\$ 23.8	75.0%	\$ 13.6
% of net revenue	1.1 %		0.7 %	0.8 %		0.4 %

The increase in other income, net for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily due to an increase in interest income generated from marketable securities.

### Provision for Income Taxes

(dollars in millions)	Three Months Ended			Nine Months Ended		
	June 28, 2024	Change	June 30, 2023	June 28, 2024	Change	June 30, 2023
Provision for income taxes	\$ 12.5	(52.5)%	\$ 26.3	\$ 42.5	(55.1)%	\$ 94.6
% of net revenue	1.4 %		2.5 %	1.3 %		2.7 %

We recorded a provision for income taxes of \$12.5 million (which consisted of \$8.6 million and \$3.9 million related to United States and foreign income taxes, respectively) and \$42.5 million (which consisted of \$16.0 million and \$26.5 million related to United States and foreign income taxes, respectively) for the three and nine months ended June 28, 2024, respectively.

The decrease in income tax expense for the three and nine months ended June 28, 2024, as compared with the corresponding periods in fiscal 2023, was primarily due to lower income from operations and a lower tax on GILTI, partially offset by an increase in the shortfall in tax deductions for share-based compensation.

## LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Nine Months Ended	
	June 28, 2024	June 30, 2023
Cash and cash equivalents at beginning of period	\$ 718.8	\$ 566.0
Net cash provided by operating activities	1,348.6	1,490.9
Net cash used in investing activities	(84.5)	(146.2)
Net cash used in financing activities	(719.5)	(1,189.1)
Cash and cash equivalents at end of period	\$ 1,263.4	\$ 721.6

### 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 \$142.3 million decrease in cash provided by operating activities during the nine months ended June 28, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to lower net income, partially offset by favorable changes in working capital of \$109.3 million, due primarily to a decrease in inventory.

### Cash used in investing activities:

Cash used in investing activities consists primarily of capital expenditures, cash paid to acquire intangible assets, and cash paid to purchase marketable securities, offset by cash received related to the sale or maturity of marketable securities. The \$61.7 million decrease in cash used in investing activities during the nine months ended June 28, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to a decrease of \$256.4 million in purchases of marketable securities and a decrease of \$66.0 million in cash used for capital expenditures, partially offset by a decrease of \$263.7 million in sales of marketable securities.

### Cash used in financing activities:

Cash used in financing activities consists primarily of proceeds and payments related to our long-term borrowings and cash transactions related to equity. The \$469.6 million decrease in cash used in financing activities during the nine months ended June 28, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to a decrease of \$400.0 million for the

repayment of debt, a decrease of \$98.0 million in stock repurchase activity, partially offset by an increase of \$30.4 million in dividend payments.

**Liquidity:**

Cash, cash equivalents, and marketable securities totaled \$1,283.9 million as of June 28, 2024, representing an increase of \$545.4 million from September 29, 2023.

We have outstanding \$500.0 million of Notes Due 2026 and \$500.0 million of Notes Due 2031 (the “Notes”). During the nine months ended June 28, 2024, we repaid \$300.0 million of outstanding borrowings under the term loans (the “Term Loans”) that the Company borrowed on July 26, 2021 under a \$1.0 billion term loan facility (the “Term Loan Facility”). As of June 28, 2024, there were no borrowings outstanding under the Term Loan Facility. We have a Revolving Credit Agreement (the “Revolving Credit Agreement”) under which we may borrow up to \$750.0 million for general corporate purposes and working capital needs of the Company and its subsidiaries. As of June 28, 2024, there were no borrowings outstanding under the revolving credit facility (the “Revolver”). The Revolving Credit Agreement expires July 26, 2026.

Based on our historical results of operations, we expect that our cash, cash equivalents, and marketable securities on hand, the cash we expect to generate from operations, and funds from our Revolver, will be sufficient to fund our short-term and long-term liquidity requirements primarily arising from: 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. However, we cannot be certain that our cash on hand, cash generated from operations, and funds from our Revolver will be available in the future to fund all of our capital and operating requirements. In addition, any future strategic investments and significant 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: money market funds, U.S. Treasury and government securities, corporate bonds and notes, and municipal bonds.

Our contractual obligations disclosure in the 2023 10-K has not materially changed since we filed that report.

**ITEM 3. 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 to our investment portfolio. Our investment portfolio consists of cash and cash equivalents (money market funds, municipal bonds, and U.S. Treasury and government securities purchased with less than ninety days until maturity) that total approximately \$1,263.4 million, and marketable securities (U.S. Treasury and government securities, corporate bonds and notes, and municipal bonds) that total approximately \$5.6 million and \$14.9 million within short-term and long-term marketable securities, respectively, as of June 28, 2024.

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 have short-term maturity periods less than one year. 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 three and nine months ended June 28, 2024, 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.

We do not believe that investment or interest rate risks currently pose material exposures to our 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. 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 options 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 three and nine months ended June 28, 2024 and June 30, 2023, we had not entered into any outstanding foreign currency forward or options contracts with financial institutions.

## **ITEM 4. CONTROLS AND PROCEDURES.**

### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 28, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on management’s evaluation of our disclosure controls and procedures as of June 28, 2024, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

### ***Changes in Internal Control Over Financial Reporting***

During the third quarter of fiscal 2024, we completed the implementation of our new enterprise resource planning (“ERP”) system and have modified certain existing internal control processes and procedures related to the new system. These changes did not materially affect our internal control over financial reporting. As we implement new functionality under this ERP system, we will continue to assess the impact on our internal control over financial reporting.

**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS.**

Refer to Note 9 of the Notes to Consolidated Financial Statements for a detailed discussion.

**ITEM 1A. RISK FACTORS.**

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in the 2023 10-K, which could materially affect our business, financial condition, or future results.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

The following table provides information regarding repurchases of common stock made during the three months ended June 28, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) (2)
03/30/24 - 04/26/24	755 (3)	\$105.48	—	\$2.0 billion
04/27/24 - 05/24/24	9,425 (3)	\$94.39	—	\$2.0 billion
05/25/24 - 06/28/24	763,767	\$101.33	763,767	\$1.9 billion
Total	773,947		763,767	

(1) The stock repurchase program approved by the Board of Directors on January 31, 2023 authorized 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, in compliance with applicable securities laws and other legal requirements, and expires on February 1, 2025.

(2) The Company's net share repurchases are subject to a 1% excise tax under the Inflation Reduction Act. Excise tax incurred reduces the amount available under the repurchase program, as applicable, and is included in the cost of shares repurchased in the Consolidated Statement of Stockholders' Equity and the calculation of the average price paid per share.

(3) 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.

**ITEM 5. OTHER INFORMATION.*****Director and Officer Trading Arrangements***

A significant portion of the compensation of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) is in the form of equity awards and, from time to time, directors and officers engage in open-market transactions with respect to the securities acquired pursuant to such equity awards or our other securities, including to satisfy tax withholding obligations when equity awards vest or are exercised, and for diversification or other personal reasons.

Transactions in our securities by directors and officers are required to be made in accordance with our insider trading policy, which requires that the transactions be in accordance with applicable U.S. federal securities laws that prohibit trading while in possession of material nonpublic information. Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables directors and officers to prearrange transactions in our securities in a manner that avoids concerns about initiating transactions while in possession of material nonpublic information.

The following table describes contracts, instructions or written plans for the sale or purchase of our securities adopted by our directors and officers during the quarter covered by this report that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a “Rule 10b5-1 trading arrangement”):

<b>Name and Title</b>	<b>Date of Adoption</b>	<b>Duration of Rule 10b5-1 Trading Arrangement</b>	<b>Aggregate Number of Securities to Be Purchased or Sold</b>
Robert Terry, Senior Vice President and General Counsel	May 7, 2024	Until May 1, 2025, or such earlier date upon which all transactions are completed or expire without execution	Sale of up to 14,457 shares
Reza Kasnavi, Senior Vice President, Technology and Manufacturing	May 15, 2024	Until May 1, 2025, or such earlier date upon which all transactions are completed or expire without execution	Sale of up to 16,843 shares
Carlos Bori, Senior Vice President, Sales and Marketing	June 10, 2024	Until February 14, 2025, or such earlier date upon which all transactions are completed or expire without execution	Sale of up to 19,498 shares

None of our directors or officers terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.



**ITEM 6. EXHIBITS.**

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Form</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
			<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
10.1*	<a href="#">Skyworks Solutions, Inc. Second Amended and Restated 2015 Long-Term Incentive Plan</a>					X
10.2*	<a href="#">Skyworks Solutions, Inc. 2002 Employee Stock Purchase Plan, as Amended</a>					X
10.3*	<a href="#">Skyworks Solutions, Inc. Non-Qualified Employee Stock Purchase Plan, as Amended</a>					X
31.1	<a href="#">Certification of the Company's Chief Executive Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					X
31.2	<a href="#">Certification of the Company's Chief Financial Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>					X
32.1	<a href="#">Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					X
32.2	<a href="#">Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

\* Indicates a management contract or compensatory plan or arrangement

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SKYWORKS SOLUTIONS, INC.

Date: July 30, 2024

By: /s/ Liam K. Griffin  
Liam K. Griffin  
Chairman, Chief Executive Officer and President  
(Principal Executive Officer)

By: /s/ Kris Sennesael  
Kris Sennesael  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

By: /s/ Philip Carter  
Philip Carter  
Vice President and Corporate Controller  
(Principal Accounting Officer)



## SKYWORKS SOLUTIONS, INC.

### SECOND AMENDED AND RESTATED 2015 LONG-TERM INCENTIVE PLAN

#### 1. Purpose

The purpose of this Second Amended and Restated 2015 Long-Term Incentive Plan (the “*Plan*”) of Skyworks Solutions, Inc., is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to align their interests with those of the Company’s stockholders. The Plan amends and restates the 2015 Long-Term Incentive Plan, as amended, that was originally adopted by the Board on November 11, 2014, approved by the Company’s stockholders on May 19, 2015, and amended by the Board on May 8, 2019. The Plan, as amended and restated, was approved by the Board on November 11, 2020, and by the Company’s stockholders on May 12, 2021. The Plan, as further amended and restated, was approved by the Board on February 7, 2024 and by the Company’s stockholders on May 14, 2024.

#### 2. Certain Definitions

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

- a. “*Administrator*” shall mean the entity that conducts the general administration of the Plan as provided in Section 3. With reference to the duties of the Committee under the Plan that have been delegated to one or more persons pursuant to Section 3(d) or Section 3(e), or as to which the Board has assumed, the term “Administrator” shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.
- b. “*Award*” shall mean an Option, a Restricted Stock award, a Restricted Stock Unit award, a Performance Award, a Dividend Equivalent award, an Other Stock Unit Award, or a Stock Appreciation Right, which may be awarded or granted under the Plan (collectively, “*Awards*”).
- c. “*Award Agreement*” shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award that are consistent with the Plan.
- d. “*Award Limit*” shall mean, with respect to Awards that shall be payable in shares of Common Stock or in cash, as the case may be, the respective per-Participant limit set forth in Section 4(e).
- e. “*Board*” shall mean the Board of Directors of the Company.

- f.* “Cause” shall have the meaning given in an employment agreement, severance agreement, change in control agreement, consulting agreement or other similar agreement, if any, between the Company and the Participant, or if there is no such agreement (or if such agreement does not define “Cause”), then except as otherwise provided by the Administrator in an Award Agreement with respect to an Award, “Cause” shall mean the determination by the Administrator or by the Company’s appropriate management personnel that any of the following acts or events exists or has occurred with respect to a Participant:
- i.* the Participant’s deliberate dishonesty that is significantly detrimental to the best interests of the Company;
  - ii.* conduct by the Participant constituting an act of moral turpitude;
  - iii.* the Participant’s willful disloyalty to the Company or refusal or failure to obey the directions of the Board, the Company’s Chief Executive Officer or President, or the Participant’s direct supervisor; or
  - iv.* the Participant’s incompetent performance or substantial or continuing inattention to or neglect of duties assigned to the Participant.
- g.* “Change in Control” shall mean an event or occurrence set forth in any one or more of subsections (i) through (iv) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):
- i.* the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a “Person”) of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 40% or more of either (x) the then-outstanding shares of Common Stock (the “**Outstanding Company Common Stock**”) or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction that complies with clauses (A) and (B) of subsection (iii) of this Section 2(g); or
  - ii.* such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term “**Continuing Director**” means at any date a member of the Board (A) who was a member of the Board on the Effective Date or (B) who was nominated or elected subsequent to the Effective Date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (B) any

individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

- iii. the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a “**Business Combination**”), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of Common Stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation that as a result of such transaction owns the Company or substantially all of the Company’s assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the “**Acquiring Corporation**”) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively; and (B) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 40% or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or
- iv. approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

For the avoidance of doubt, all references to the “Company” in this Section 2(g) shall mean Skyworks Solutions, Inc. Notwithstanding anything herein to the contrary, to the extent that any payment or benefit under the Plan constitutes nonqualified deferred compensation within the meaning of Section 409A, then, with respect to such payment or benefit, any event constituting a Change in Control above must also constitute a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

- h. “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.
- i. “**Committee**” shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board, appointed as provided in Section 3(a).
- j. “**Common Stock**” shall mean the common stock of Skyworks Solutions, Inc., par value \$0.25 per share.
- k. “**Company**” shall mean Skyworks Solutions, Inc., a Delaware corporation. Except where the context otherwise requires, the term “Company” shall include any present or future Subsidiary or parent corporation (as “parent corporation” is defined in Section 424(e) of the Code and any regulations promulgated thereunder) of the Company and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board.

- l. “**Consultant**” shall mean any consultant or adviser that qualifies as a consultant under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.
- m. “**Designated Beneficiary**” shall mean the beneficiary designated, in a manner determined by the Company, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant’s death. In the absence of an effective designation by a Participant, “Designated Beneficiary” shall mean the Participant’s estate.
- n. “**Disability**” shall mean that the Participant is “permanently and totally disabled” within the meaning of Section 22(e)(3) of the Code. Notwithstanding anything herein to the contrary, to the extent that a payment or benefit under the Plan constitutes nonqualified deferred compensation within the meaning of Section 409A, then, with respect to such payment or benefit, the Participant must also be “disabled” within the meaning of Section 409A(a)(2)(C) of the Code.
- o. “**Dividend Equivalent**” shall mean a right to receive the equivalent value (in cash or Common Stock) of dividends paid on Common Stock, granted under Section 8(b).
- p. “**Effective Date**” shall mean May 19, 2015.
- q. “**Eligible Individual**” shall mean any person who is an Employee or a Consultant, as determined by the Administrator.
- r. “**Employee**” shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company.
- s. “**Equity Acceleration Date**” shall mean, with respect to an Award held by a Participant:
  - i. the effective date of a Change in Control, in the event that the Participant experiences a Qualifying Termination that is within the period of time commencing three (3) months prior to the Change in Control and ending on the effective date of the Change in Control; or
  - ii. the effective date of the Participant’s Termination of Service, in the event that the Participant experiences a Qualifying Termination that is within the period of time commencing on the effective date of a Change in Control and ending twelve (12) months following the Change in Control.
- t. “**Expiration Date**” shall mean November 10, 2030.
- u. “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time.
- v. “**Fair Market Value**” shall mean, as of any given date, the value of a share of Common Stock determined as follows:
  - i. If the Common Stock is listed on any established stock exchange, national market system or automated quotation system (such as Nasdaq), its Fair Market Value shall be the closing sales price for a share of Common Stock as quoted on such exchange or system for such date or, if there is no closing sales price for a share of Common Stock on the date in question, the closing sales price for a share of Common Stock on the last preceding date for which such quotation

exists, as reported by Nasdaq or such other source as the Administrator deems reliable, such as *The Wall Street Journal*;

- ii. If the Common Stock is regularly quoted by a recognized securities dealer but closing sales prices are not reported, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a share of Common Stock on such date, the high bid and low asked prices for a share of Common Stock on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or
  - iii. If the Common Stock is neither listed on an established stock exchange or a national market system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.
- w. “**Full Value Award**” shall mean any Award other than an Option, Stock Appreciation Right or other Award for which the Participant pays the Fair Market Value of the Common Stock as of the date of grant (whether directly or by forgoing a right to receive a payment from the Company or any Subsidiary).
- x. “**Good Reason**” shall have the meaning given in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, or if there is no such agreement (or if such agreement does not define “Good Reason”), then except as otherwise provided by the Administrator in an Award Agreement with respect to an Award, “Good Reason” shall mean either of the following actions, if taken without the express written consent of the Participant:
- i. A reduction of 5% or more in the Participant’s base salary in effect immediately prior to the Change in Control; or
  - ii. A change in the Participant’s principal place of employment in effect immediately prior to the Change in Control to a location that is more than fifty (50) miles from such principal place of employment.

A Participant’s Termination of Service shall not be deemed to be for Good Reason unless, within sixty (60) days of the occurrence of the event constituting Good Reason, the Participant has provided the Company (or the acquiring entity) with (A) at least thirty (30) days’ advance written notice of the Participant’s decision to terminate his or her employment for Good Reason, and (B) a period of not less than thirty (30) days to cure the event or condition described in subsection (i) or (ii), and the Company (or the acquiring entity) has failed to so cure the event or has waived its right to cure the event, to the extent it is then subject to cure.

- y. “**Measurement Date**” shall mean, with respect to a Performance Award, the last day of the applicable Performance Period over which Performance Goals are measured pursuant to the terms of the Performance Award.
- z. “**Nasdaq**” shall mean the Nasdaq Global Select Market.
- aa. “**Option**” shall mean a right to purchase shares of Common Stock at a specified exercise price, granted under Section 5. Any Option granted pursuant to the Plan is intended not to be an incentive stock option as described in Section 422 of the Code and shall be designated a “Nonqualified Stock Option.”

- ab.* “**Other Stock Unit Award**” shall mean an Award of shares of Common Stock, or other Award that is valued in whole or in part by reference to, or is otherwise based on, shares of Common Stock or other property, granted under Section 8.
- ac.* “**Participant**” shall mean a person who has been granted an Award under the Plan.
- ad.* “**Performance Award**” shall mean a Restricted Stock Award, an Other Stock Unit Award, a cash bonus award, a stock bonus award, or any other Award under the Plan that is made subject to the achievement of Performance Goals pursuant to Section 8 and is paid in cash, Common Stock or a combination of both.
- ae.* “**Performance Criteria**” shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:
- i.* The Performance Criteria that shall be used to establish Performance Goals shall include one or more of the following: Revenues, net income (loss), operating income (loss), gross profit, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or depreciation and/or amortization, earnings (loss) per share, net cash flow, cash flow from operations, free cash flow, revenue growth, earnings growth, gross margins, operating margins, net margins, inventory management (including, but not limited to, reductions in inventory, inventory turns, and inventory levels), working capital (including a specific component thereof), return on sales, return on assets, return on stockholders’ equity, return on investment or working capital, cash or cash equivalents position, achievement of balance sheet or income statement objectives or total stockholder return, stock price, improvement in financial ratings, completion of strategic acquisitions/dispositions, manufacturing efficiency, product quality, customer satisfaction, market share and/or product design wins, a specific cost or expense item, and implementation or completion of a specified key business project, or any other criteria established by the Administrator, any of which may be measured with respect to an individual Participant, the Company, or any one or more of the Company’s Subsidiaries, divisions or business units, and in absolute or relative terms (including, but not limited to, (A) as compared to any incremental increase or decrease, (B) as compared to results of a peer group or other individuals or companies comparably, similarly or otherwise situated, or (C) as compared to a business plan, budget or forecast).
- ii.* The Administrator may, in its sole discretion, provide that one or more adjustments be made to one or more of the Performance Goals, including the exclusion of one or more of the following: (A) extraordinary and/or nonrecurring items, (B) the cumulative effects of changes in accounting principles or applicable laws, (C) gains or losses on the dispositions of discontinued operations, (D) the write-down of any asset, (E) charges for restructuring and rationalization programs, (F) amortization of purchased intangibles associated with acquisitions, (G) compensation expenses related to acquisitions, (H) other acquisition-related charges (including, but not limited to, items attributable to the business operations of any entity acquired by the Company during the Performance Period), (I) impairment charges, (J) gain or loss on minority equity investments, (K) noncash income tax expenses, (L) equity-based compensation expenses, (M) items relating to financing activities; (N) other nonoperating items; (O) items related to the disposal of a business or segment of a business; (P) items attributable to any stock dividend, stock split, combination or exchange of shares occurring during the Performance Period; or (Q) any other adjustment as determined by the Administrator.



- af.* “**Performance Goals**” shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria or other measures.
- ag.* “**Performance Period**” shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to, and the payment of, a Performance Award.
- ah.* “**Plan**” shall mean this Skyworks Solutions, Inc. Second Amended and Restated 2015 Long-Term Incentive Plan, as it may be amended or restated from time to time.
- ai.* “**Prior Plan**” shall mean the Skyworks Solutions, Inc. Amended and Restated 2005 Long-Term Incentive Plan.
- aj.* “**Qualifying Termination**” shall mean a Participant’s Termination of Service by the Company without Cause or by the Participant for Good Reason, in either case within the period of time commencing three (3) months prior to and ending twelve (12) months following the Change in Control. For the avoidance of doubt, the term “Qualifying Termination” shall apply only to an Employee’s Termination of Service. In the case of a Consultant, no Termination of Service shall be a “Qualifying Termination” unless the Administrator, in its sole discretion, provides otherwise.
- ak.* “**Reorganization Event**” shall mean:
- i.* any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled;
  - ii.* any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction; or
  - iii.* any liquidation or dissolution of the Company.
- al.* “**Restricted Stock**” shall mean Common Stock granted under Section 7 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.
- am.* “**Restricted Stock Award**” shall mean an Award for Restricted Stock or Restricted Stock Units.
- an.* “**Restricted Stock Units**” shall mean the right to receive Common Stock granted under Section 7.
- ao.* “**Section 409A**” shall mean Section 409A of the Code or any successor provision thereto, and the regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.
- ap.* “**Stock Appreciation Right**” or “**SAR**” shall mean a stock appreciation right granted under Section 6.
- aq.* “**Subsidiary**” shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing

more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

- ar.* “**Substitute Award**” shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.
- as.* “**Termination of Service**” shall mean,
- i.* As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company or a Subsidiary is terminated for any reason, with or without Cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where there is a simultaneous commencement of employment with the Company or any Subsidiary or service as a nonemployee director of the Company.
  - ii.* As to an Employee, the time when the employee-employer relationship between a Participant and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, Disability or retirement; but excluding: (A) terminations where there is a simultaneous reemployment or continuing employment of a Participant by the Company or any Subsidiary, (B) terminations that are followed by the simultaneous establishment of a consulting relationship by the Company or a Subsidiary with the former employee, and (C) at the sole discretion of the Administrator, terminations that result in a temporary severance of the employee-employer relationship.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to a Termination of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for Cause, and all questions of whether a particular leave of absence constitutes a Termination of Service. For purposes of the Plan, a Participant’s employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Participant ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spinoff).

### **3. Administration and Delegation**

- a.* *Administrator:* The Committee (or another committee or a subcommittee of the Board assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein) and shall consist solely of two or more nonemployee directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as a “non-employee director” as defined by Rule 16b-3 under the Exchange Act or any successor rule and an “independent director” under the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded); provided, that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 3(a) or otherwise provided in any charter of the Committee. Notwithstanding the foregoing, the Committee may delegate its authority hereunder to the extent permitted by Sections 3(d) and 3(e). In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan.

- b. *Duties and Powers of Administrator.* The Administrator shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Administrator shall be made in the Administrator's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Administrator shall be liable for any action or determination relating to or under the Plan made in good faith.
- c. *Award Eligibility.* The Administrator may, from time to time, select from among all Eligible Individuals those to whom an Award shall be granted under the Plan and shall determine the nature and amount of the Award, consistent with the requirements of the Plan.
- d. *Delegation to Committees or Subcommittees.* To the extent permitted by applicable law, the Board or Committee may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board.
- e. *Delegation to Officers.* Subject to any requirements of applicable law (including as applicable Sections 152 and 157(c) of the General Corporation Law of the State of Delaware), the Administrator may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Administrator may determine, provided that the Administrator shall fix the terms of the Awards to be granted by such officers, the maximum number of shares subject to Awards that the officers may grant, and the time period in which such Awards may be granted; and provided further, that no officer shall be authorized to grant Awards to the following individuals: (i) any "executive officer" of the Company (as defined by Rule 3b-7 under the Exchange Act), (ii) any "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act), or (iii) officers of the Company to whom authority to grant or amend Awards has been delegated hereunder. Any delegation under this Section 3(e) shall be subject to any other restrictions and limits that the Administrator specifies at the time of such delegation, and the Administrator may at any time rescind the authority so delegated or appoint a new delegatee.

#### **4. Stock Available for Awards**

- a. *Number of Shares.* Subject to adjustment under Section 10, Awards may be made under the Plan for a number of shares of Common Stock that is equal to the sum of: (i) 20.75 million shares of Common Stock; and (ii) such additional number of shares of Common Stock (up to 22.3 million shares) as is equal to the sum of (x) the number of shares of Common Stock reserved for issuance under the Prior Plan that remained available for grant under the Prior Plan as of the Effective Date, and (y) the number of shares of Common Stock subject to awards granted under the Prior Plan which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right after the Effective Date.
- b. *Counting of Shares.* Subject to adjustment under Section 10, an Option or Stock Appreciation Right shall be counted against the share limit specified in Section 4(a) as one share for each share of Common Stock subject to such Award, and a Full Value Award shall be counted against the share limit specified in Section 4(a) as one and one-half (1.5) shares for each share of Common Stock issued upon settlement of such Full Value Award.

- c. *Lapses.* If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. To the extent that a Full Value Award (which, for purposes of this Section 4(c) shall include any equivalent award granted under the Prior Plan) is forfeited or expires or such Full Value Award is settled for cash (in whole or in part), the shares of Common Stock available under the Plan shall be increased by one and one-half (1.5) shares of Common Stock subject to such Full Value Award that is forfeited, expired, or settled in cash. Notwithstanding the foregoing, shares delivered (either by actual delivery, attestation or net exercise) to the Company by a Participant (i) to purchase shares of Common Stock upon the exercise of an Award or (ii) to satisfy tax withholding obligations with respect to any Awards (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards. In the case of the exercise of a SAR for shares, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, treasury shares, or shares purchased on the open market; provided, however, that shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for future grant of Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Award shall not be counted against the number of shares of Common Stock available for issuance under the Plan. Awards settleable only in cash shall not be counted against the number of shares of Common Stock available for issuance under the Plan.
- d. *Substitute Awards.* To the extent permitted by applicable law, Substitute Awards shall not reduce the number of shares of Common Stock authorized for grant under the Plan or count against the Award Limit with respect to any Participant. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan.
- e. *Per-Participant Limit.* Without regard to the share-counting rules in Section 4(b) hereof, the maximum number of shares of Common Stock with respect to which Awards may be granted to any Participant under the Plan during any calendar year shall be 1,500,000 and the maximum aggregate amount of cash that may be paid during any calendar year with respect to one or more Awards payable in cash shall be \$5,000,000. For purposes of the foregoing limits, the combination of an Option in tandem with an SAR shall be treated as a single Award. The fungible share counting rules in Section 4(b) shall not apply for purposes of this Section 4(e) and instead, each share subject to any type of Award shall be counted as one share for purposes of this Section 4(e).

## 5. Stock Options

- a. *General.* The Administrator may grant Options and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.
- b. *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify such exercise price in the applicable option agreement; provided, however, that the exercise price shall not be less than 100% of the Fair Market Value at the time the Option is granted.

- c. *Option Vesting.* The period during which the right to exercise, in whole or in part, an Option vests in the Participant shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company or any Subsidiary, any of the Performance Criteria, or any other criteria selected by the Administrator. At any time after grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option vests. No portion of an Option that is unexercisable at a Participant's Termination of Service shall thereafter become exercisable, except as may be otherwise provided in the Plan or by the Administrator either in the Award Agreement or by action of the Administrator following the grant of the Option.
- d. *Termination of Service.* Except as otherwise provided (i) in Sections 5(e), 11(d), 11(e), (ii) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (iii) by the Administrator in an Award Agreement, or (iv) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service, shall remain exercisable for a period of time expiring on the earlier of (a) the three (3) month anniversary of the Participant's Termination of Service, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement; provided that such Options shall be exercisable only to the extent that the Participant was entitled to exercise such Options on the date of the Termination of Service. Notwithstanding the foregoing, if the Participant violates the non-solicitation, non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between such Participant and the Company, the right to exercise Options under this Section 5(d) shall terminate immediately upon written notice to the Participant from the Company describing such violation.
- e. *Termination of Service for Cause.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options that were exercisable by the Participant immediately prior to the Participant's Termination of Service for Cause, shall terminate immediately upon the effective date of such Termination of Service and shall not be exercisable. The Participant shall be considered to have been discharged for Cause if the Company determines, within 30 days after the Participant's resignation, that discharge for Cause was warranted.
- f. *Limitation on Repricing.* Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (i) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (ii) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (iii) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current Fair Market Value, or (iv) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded).
- g. *No Reload Rights.* No Option granted under the Plan shall contain any provision entitling the optionee to the automatic grant of additional Options in connection with any exercise of the original Option.

- h. Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable option agreement; provided, however, that no Option will be granted for a term in excess of seven (7) years. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Options, which time period may not extend beyond the term of the Option.
- i. Exercise of Option.* Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Administrator together with payment in full as specified in Section 12(g) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company following exercise as soon as practicable.
- j. Partial Exercise.* An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise be with respect to a minimum number of shares.
- k. Substitute Awards.* In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Options in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. An Option that is a Substitute Award may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Options contained in this Section 5 or in Section 3(c). Notwithstanding the foregoing provisions of this Section 5 to the contrary, in the case of an Option that is a Substitute Award, the price per share of the shares of Common Stock subject to such Option may be less than the Fair Market Value per share on the date of grant, provided, that such price per share shall be determined in accordance with Section 409A (and, if applicable, with Section 424 of the Code and the regulations thereunder).

## **6. Stock Appreciation Rights**

- a. General.* A Stock Appreciation Right, or SAR, is an Award entitling the holder, upon exercise, to receive Common Stock determined in whole or in part by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock. SARs may be based solely on appreciation in the Fair Market Value of Common Stock or on a comparison of such appreciation with some other measure of market growth such as (but not limited to) appreciation in a recognized market index. The date as of which such appreciation or other measure is determined shall be the exercise date unless another date is specified by the Administrator in the SAR Award. SARs may not be granted with a term in excess of seven (7) years from the date of grant.
- b. Grants.* Stock Appreciation Rights may be granted in tandem with, or independently of, Options granted under the Plan.

  - i. Tandem Awards.* When Stock Appreciation Rights are expressly granted in tandem with Options, (A) the Stock Appreciation Right will be exercisable only at such time or times, and to the extent, that the related Option is exercisable (except to the extent designated by the Administrator in connection with a Reorganization Event and will be exercisable in accordance with the procedure required for exercise of the related Option); (B) the Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Option, except to the extent designated by the Administrator in connection with a Reorganization Event and except that

a Stock Appreciation Right granted with respect to less than the full number of shares covered by an Option will not be reduced until the number of shares as to which the related Option has been exercised or has terminated exceeds the number of shares not covered by the Stock Appreciation Right; (C) the Option will terminate and no longer be exercisable upon the exercise of the related Stock Appreciation Right; and (D) the Stock Appreciation Right will be transferable only with the related Option.

- ii. *Independent SARs.* A Stock Appreciation Right not expressly granted in tandem with an Option will become exercisable at such time or times, and on such conditions, as the Administrator may specify in the SAR Award.
- c. *Exercise.* Stock Appreciation Rights may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Administrator, together with any other documents required by the Administrator.
- d. *Limitation on Repricing.* Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (i) amend any outstanding SAR granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding SAR, (ii) cancel any outstanding stock appreciation right (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled stock appreciation right, (iii) cancel in exchange for a cash payment any outstanding SAR with an exercise price per share above the then-current Fair Market Value, or (iv) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded).

## **7. Restricted Stock; Restricted Stock Units**

- a. *General.* The Administrator may grant Awards of Restricted Stock to Eligible Individuals entitling recipients to acquire shares of Common Stock, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Administrator in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. Instead of granting Awards of Restricted Stock, the Administrator may grant Awards of Restricted Stock Units to Eligible Individuals entitling recipients to receive shares of Common Stock to be delivered at the time such shares of Common Stock vest subject to such terms and conditions on the delivery of the shares of Common Stock as the Administrator shall determine. The Administrator shall determine the terms and conditions of a Restricted Stock Award, including the conditions for repurchase, forfeiture, or vesting, and the issue price, if any.
- b. *Stock Certificates; Dividends.* Subject to Section 12(l), any stock certificates issued in respect of an award of Restricted Stock shall be registered in the name of the Participant and, unless otherwise determined by the Administrator, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the Designated Beneficiary. Unless otherwise provided in the applicable Award Agreement, any dividends (whether paid in cash, stock or property) declared and paid

by the Company with respect to unvested shares of Restricted Stock shall be subject to accrual as provided in Section 12(h).

## **8. Performance Awards, Dividend Equivalents, and Other Stock Unit Awards**

- a. Performance Awards.* The Administrator may grant Performance Awards under the Plan to any Eligible Individual. The value of Performance Awards shall be subject to the achievement of Performance Goals over a specified Performance Period. The Performance Goals applicable to a Performance Award may (i) vary by Participant, (ii) be different for different Awards, or (iii) be particular to a Participant or the Subsidiary, division, business unit, department, branch, or other unit in which the Participant works. The Administrator, in its discretion, may adjust the cash or number of shares of Common Stock payable pursuant to any Performance Award, and the Administrator may, at any time, waive the achievement of the applicable Performance Goals, including in the case of the death or Disability of the Participant or a Change in Control of the Company.
- b. Dividend Equivalents.* The Administrator may grant Dividend Equivalents under the Plan to any Eligible Individual based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date an Award is granted to a Participant and the date such Award vests, is distributed or expires, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Administrator. Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights. Unless otherwise provided in the applicable Award Agreement, any Dividend Equivalents shall be subject to accrual as provided in Section 12(h).
- c. Other Stock Unit Awards.* The Administrator may grant Other Stock Unit Awards under the Plan to any Eligible Individual. Such Other Stock Unit Awards shall be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock Unit Awards may be paid in shares of Common Stock or cash, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the conditions of each Other Stock Unit Award, including any purchase price applicable thereto and any conditions applicable thereto, including without limitation, performance-based conditions.

## **9. Effect of a Change in Control**

- a. Qualifying Termination Prior to Change in Control.* Notwithstanding anything in this Plan to the contrary, in the event that a Participant experiences a Qualifying Termination that is within the period of time commencing three (3) months prior to the Change in Control and ending on the effective date of the Change in Control, then on the date of the Termination of Service, each outstanding and unvested Award held by such Participant as of the day prior to the date of the Participant's Termination of Service shall
  - i.* remain outstanding for the period of three (3) months following the Participant's Termination of Service with any vesting of such Award being suspended until it is determined whether there is a Change in Control during the three (3) month period following the Participant's Termination of Service;
  - ii.* if a Change in Control occurs within the three (3) month period following the Participant's Termination of Service, be treated as if the Participant had remained employed by the Company through the effective date of the Change in Control and notwithstanding any vesting schedule,



forfeiture provisions, or anything else to the contrary in the respective Award Agreement governing such Award, subject to the same terms and conditions as in effect immediately prior to the Participant's Termination of Service and subject to any applicable provisions of this Section 9; and

iii. if no Change in Control occurs within the three (3) month period following the Participant's Termination of Service, terminate and be of no further force or effect except as otherwise provided by the Administrator or in a written agreement between the Company and the Participant.

b. *Treatment of Awards upon a Change in Control.* In the event of a Change in Control (without regard to whether such event also constitutes a Reorganization Event), the following provisions shall apply to all then-outstanding Awards (including any Awards that remain outstanding as of the Change in Control pursuant to Section 9(a)):

i. *Performance Awards.* If the Change in Control occurs prior to the Measurement Date for a Performance Award that vests based upon the achievement of Performance Goals and upon a Participant providing continued service to the Company, then upon the effective date of the Change in Control such Award shall be earned as to the greater of (A) the "Target" level of shares for such Award, or (B) the number of shares that would have been earned pursuant to the terms of such Award based upon performance up through and including the day prior to the date of the Change in Control; provided, however, that if the Administrator determines in its sole discretion that it is impracticable to calculate the number of shares that would have been earned under clause (B) above with respect to one or more of the applicable Performance Goals of the Award, then such Award shall be earned as to the "Target" level of shares covered by such Performance Goal(s). For the avoidance of doubt, any deemed satisfaction of Performance Goals as described in this Section 9(b)(i) shall occur prior to the assumption, substitution, or accelerated vesting of such Award as provided in this Section 9(b) or in Section 9(c).

ii. *Awards Not Assumed.* In the event that the successor or surviving company in the Change in Control does not agree to assume, or substitute for, an outstanding Award (or in the event that the Company is the ultimate parent corporation in the Change in Control and does not agree to continue the Award) on substantially similar terms with substantially equivalent economic benefits (which benefits shall include, for the avoidance of doubt, the liquidity of the securities underlying the assumed or substituted award following the Change in Control) as exist for such Award immediately prior to the Change in Control, as determined in the sole discretion of the Administrator, then such Award shall, immediately prior to the Change in Control, automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award, after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i). If an Award becomes exercisable pursuant to this Section 9(b)(ii), the Administrator shall notify the Participant that the Award shall be fully exercisable beginning prior to the Change in Control contingent on the occurrence of the Change in Control, and the Award shall terminate on the Change in Control.

iii. *Awards Assumed.* In the event that the successor or surviving company in the Change in Control agrees to assume, or substitute for, an outstanding Award (or in the event that the Company is the ultimate parent corporation in the Change in Control and agrees to continue the Award) on substantially similar terms with substantially equivalent economic benefits (which benefits shall

include, for the avoidance of doubt, the liquidity of the securities underlying the assumed or substituted award following the Change in Control) as exist for such Award immediately prior to the Change in Control (but after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i)), as determined in the sole discretion of the Administrator, then for the avoidance of doubt, such Award shall, following the Change in Control, continue to be subject to the same time-based vesting schedule to which the Award was subject immediately prior to the Change in Control.

- c. *Treatment of Awards upon a Qualifying Termination.* Subject to the provisions of Section 13(f), in the event that a Participant experiences a Qualifying Termination, each outstanding and unvested Award under the Plan held by the Participant on the Equity Acceleration Date that, pursuant to its terms and after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i) and any deemed continued employment through the effective date of the Change in Control as described in Section 9(a), vests solely based upon providing continued service to the Company (or, if applicable, a successor corporation to the Company), including, without limitation, Options, SARs, Restricted Stock Awards, and Performance Awards that are earned but unissued, shall on the Equity Acceleration Date automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award. For the avoidance of doubt, the reference in this Section 9(c) to “Performance Awards that are earned but unissued” shall include any Awards (i) for which the Measurement Date occurs on or prior to the effective date of the Change in Control, and (ii) for which the Change in Control occurs prior to the Measurement Date and which are upon the Change in Control converted into, or substituted by, Awards vesting solely based upon providing continued service to the Company or its successor, pursuant to Section 9(b) above.
- d. *Share Issuance.* Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 9(b)(ii) or Section 9(c) shall be issued to the applicable Participant on, or as soon as practicable (but not more than sixty (60) days) after, the Equity Acceleration Date (or such later date as may be required by Section 13(f)).

## **10. Effect of Changes in Common Stock and Reorganization Events**

- a. *Changes in Capitalization.* In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spinoff or other similar change in capitalization or event, or any distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the Award Limit set forth in Section 4(e), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share- and per-share provisions of each Stock Appreciation Right, (v) the repurchase price per share subject to each outstanding award of Restricted Stock and (vi) the share- and per-share provisions of each outstanding Restricted Stock Unit Award and each outstanding Other Stock Unit Award, shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent determined by the Board.
- b. *Consequences of a Reorganization Event on Awards Other than Restricted Stock.* In connection with a Reorganization Event, the Board shall take any one or more of the following actions as to all or any outstanding Awards other than Restricted Stock on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant’s unexercised Options or other unexercised Awards shall become exercisable in full and will

terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become realizable or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the “*Acquisition Price*”), make or provide for a cash payment to a Participant equal to (A) the Acquisition Price times the number of shares of Common Stock subject to the Participant’s Options or other Awards (to the extent the exercise price does not exceed the Acquisition Price) minus (B) the aggregate exercise price of all such outstanding Options or other Awards, in exchange for the termination of such Options or other Awards, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof) and (vi) any combination of the foregoing.

For purposes of subsection (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in fair market value to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

To the extent all or any portion of an Option becomes exercisable solely as a result of subsection (ii) above, the Board may provide that upon exercise of such Option the Participant shall receive shares subject to a right of repurchase by the Company or its successor at the Option exercise price; such repurchase right (x) shall lapse at the same rate as the Option would have become exercisable under its terms and (y) shall not apply to any shares subject to the Option that were exercisable under its terms without regard to subsection (ii) above.

- c. *Consequences of a Reorganization Event on Awards of Restricted Stock.* Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company under each outstanding Award of Restricted Stock shall inure to the benefit of the Company’s successor and shall apply to the cash, securities or other property that the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Award of Restricted Stock. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Award of Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Awards of Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

## **11. Termination of Service Due to Death or Disability**

- a. *Acceleration of Awards.* In the event that a Participant experiences a Termination of Service due to death or Disability, on the date of such Termination of Service each outstanding and unvested Award under the Plan held by the Participant that, pursuant to its terms, vests solely based upon providing continued service to the Company, including, without limitation, Options, SARs, Restricted Stock Awards, and

Performance Awards that are earned but unissued, shall automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award.

- b. *Performance Awards.* In the event that a Participant holds a Performance Award that vests based upon the achievement of Performance Goals and upon providing continued service to the Company and the Participant's Termination of Service due to death or Disability occurs prior to the Measurement Date for such Award, then such Award shall, as of the Measurement Date, (i) be earned as to the greater of (A) the "Target" level of shares for such Award, or (B) the number of shares that would have been earned pursuant to the terms of such Award had the Participant remained employed through the Measurement Date, and (ii) automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, as of the Measurement Date, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such equity Award that are earned pursuant to subsection (i) above.
- c. *Share Issuance.* Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 11(a) shall be issued to the Participant (or to the Participant's estate, if applicable) on, or as soon as practicable (but not more than sixty (60) days) after, the date of the Participant's Termination of Service (or such later date as may be required by Section 13(f)). Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 11(b) shall be issued to the Participant (or to the Participant's estate, if applicable) on, or as soon as practicable (but not more than sixty (60) days) after, the Measurement Date.
- d. *Exercise Period of Options Upon Death.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service due to death (including any Options that become vested and exercisable pursuant to Section 11(a)) shall remain exercisable for a period of time expiring on the earlier of (a) the one (1) year anniversary of the Participant's Termination of Service due to death, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement.
- e. *Exercise Period of Options Upon Disability.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service due to Disability (including any Options that become vested and exercisable pursuant to Section 11(a)) shall remain exercisable for a period of time expiring on the earlier of (a) the six (6) month anniversary of the Participant's Termination of Service due to Disability, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement.

## **12. General Provisions Applicable to Awards**

- a. *Transferability of Awards.* Except as the Administrator may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and

distribution and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

- b. *Award Agreement.* Each Award shall be evidenced by an Award Agreement (which may be electronic).
- c. *Limitations Applicable to Section 16 Persons.* Notwithstanding any other provision of the Plan, the Plan and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 under the Exchange Act or any successor rule) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.
- d. *Administrator Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Administrator need not treat Participants uniformly.
- e. *Termination of Service.* Subject to the provisions of Sections 9 and 11, the Administrator in its sole discretion shall determine the effect on an Award of the Disability, death, or other Termination of Service or change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.
- f. *Withholding.* The Company shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including applicable income and payroll taxes) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of the Plan. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold shares of Common Stock otherwise issuable under an Award (or allow the surrender of shares of Common Stock). The number of shares of Common Stock which may be so withheld or surrendered shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income, except that, to the extent that the Company is able to withhold or receive surrendered shares of Common Stock having a Fair Market Value that exceeds the applicable minimum statutory withholding tax without financial accounting implications or the Company is withholding in a jurisdiction that does not have a minimum statutory withholding tax, the Company may withhold or allow the surrender of such number of shares of Common Stock (up to the number of shares having a Fair Market Value equal to the applicable maximum individual statutory rate of tax (determined by, or in a manner approved by, the Company)) as the Company shall determine in its sole discretion to satisfy the tax liability associated with any Award. The Administrator shall determine the fair market value of the Common Stock, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.
- g. *Payment.* The Administrator shall determine the methods by which payments shall be made by any Participant with respect to any Awards granted under the Plan, including, without limitation:
  - i. in cash or by check, payable to the order of the Company;

- ii. except as the Administrator may otherwise provide in an option agreement, by (A) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and/or any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and/or any required tax withholding, provided, in either case, that delivery of such required payments is then made to the Company upon settlement of such sale;
  - iii. when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under applicable law, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Administrator in its discretion and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;
  - iv. to the extent permitted by applicable law and by the Administrator, by payment of such other lawful consideration as the Administrator may determine; or
  - v. by any combination of the above-permitted forms of payment.
- h. Accrued Dividends.* Unless otherwise provided in the applicable Award Agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock or Dividend Equivalents granted with respect to Restricted Stock Units or other Awards (either, “*Accrued Dividends*”) shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares or, in the case of a Restricted Stock Unit or other Award, the Award vests and the shares are delivered to the Participant. In addition, Accrued Dividends with respect to an Award with performance-based vesting that are based on dividends paid prior to the vesting of such Award shall be paid out to the Participant only to the extent that the performance-based vesting conditions are subsequently satisfied and the Award vests. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the Restricted Stock Award. No interest will be paid on Accrued Dividends.
- i. Fractional Shares.* No fractional shares of Common Stock shall be issued pursuant to Awards granted under the Plan, and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down.
- j. Amendment of Award.* Except as provided in Sections 5 and 6, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type and changing the date of exercise or realization, provided that the Participant’s consent to such action shall be required unless the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant.
- k. Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company’s counsel, the shares of Common Stock are covered by an effective registration

statement or applicable exemption from registration and all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

- l. Book Entry.* Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any applicable law, rule or regulation, the Company shall not deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).
- m. Acceleration.* Except as otherwise provided in the Plan, the Administrator may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

### **13. Miscellaneous**

- a. No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.
- b. No Rights as Stockholder.* Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.
- c. Term of Plan.* No Awards shall be granted under the Plan on or after the Expiration Date. Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.
- d. Amendment of Plan.* The Board or the Committee may amend, suspend or terminate the Plan or any portion thereof at any time; provided that, without approval of the Company's stockholders, no amendment may (i) increase the number of shares authorized under the Plan (other than pursuant to Section 10), (ii) materially increase the benefits provided under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) expand the types of Awards provided under the Plan or (v) make any other changes that require stockholder approval under the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded). No amendment, suspension or termination of the Plan shall, without the consent of the Participant, impair any rights or obligations under any Award theretofore granted or awarded, unless the

applicable Award Agreement itself otherwise expressly so provides. No Awards may be granted or awarded under the Plan during any period of suspension or after termination of the Plan.

- e. *Provisions for Foreign Participants.* The Administrator may modify Awards or Options granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.
- f. *Compliance with Section 409A.* If and to the extent (A) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her Termination of Service constitutes “nonqualified deferred compensation” within the meaning of Section 409A, and (B) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of “separation from service” (as determined under Section 409A) (the “**New Payment Date**”), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.
- g. *Governing Law.* The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of Delaware.





## **SKYWORKS SOLUTIONS, INC. 2002 EMPLOYEE STOCK PURCHASE PLAN, AS AMENDED**

### **1. Purpose**

The Skyworks Solutions, Inc. 2002 Employee Stock Purchase Plan (hereinafter the “*Plan*”) is intended to provide a method whereby employees of Skyworks Solutions, Inc. (the “*Company*”) and its participating subsidiaries (as defined in Article 18) will have an opportunity to acquire a proprietary interest in the Company through the purchase of shares of the Company’s Common Stock. It is the intention of the Company to have the Plan qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986, as amended (the “*Internal Revenue Code*”). The provisions of the Plan shall, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of that Section of the Internal Revenue Code.

### **2. Eligible Employees**

All employees of the Company or any of 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 shall be eligible to receive options under this Plan to purchase the Company’s Common Stock. Except as otherwise provided herein, persons who become eligible employees after the first day of any Offering Period shall be eligible to receive options on the first day of the next succeeding Offering Period on which options are granted to eligible employees under the Plan. For the purpose of this Plan, the term employee shall not include an employee whose customary employment is less than twenty (20) hours per week or is for not more than five (5) months in any calendar year.

In no event may an employee be granted an option if such employee, immediately after the option is granted, owns stock possessing five (5%) percent or more of the total combined voting power or value of all classes of stock of the Company or of its parent corporation or subsidiary corporation as the terms “parent corporation” and “subsidiary corporation” are defined in Section 424(e) and (f) of the Internal Revenue Code. For purposes of determining stock ownership under this paragraph, the rules of Section 424(d) of the Internal Revenue Code shall apply and stock which the employee may purchase under outstanding options shall be treated as stock owned by the employee.

### **3. Stock Subject to the Plan**

The stock subject to the options granted hereunder shall be shares of the Company’s authorized but unissued Common Stock or shares of Common Stock reacquired by the Company, including shares purchased in the open market. Subject to approval of the stockholders, the aggregate number of shares which may be issued pursuant to the Plan is 11,380,000 for all Offering Periods, subject to increase or decrease by reason of stock split-ups, reclassifications, stock dividends, changes in par value and the like. If any option granted under the Plan shall expire or terminate for any reason without having been exercised in full or shall cease for any reason to be exercisable in whole or in part, the unpurchased shares subject to such option shall again be available under the Plan. If the number of shares of Common Stock available for any

Offering Period is insufficient to satisfy all purchase requirements for that Offering Period, the available shares for that Offering Period shall be apportioned among participating employees in proportion to their options.

#### 4. Offering Periods and Stock Options

There shall be Offering Periods during which payroll deductions will be accumulated under the Plan. Each Offering Period includes only regular pay days falling within it. The Committee shall be expressly permitted to establish the Offering Periods, including the Offering Commencement Date and Offering Termination Date of any Offering Period, under this Plan; provided, however, that, in no event shall any Offering Period extend for more than twenty-four (24) months. The Offering Commencement Date is the first day of each Offering Period. The Offering Termination Date is the applicable date on which an Offering Period ends under this Plan.

Subject to the foregoing, the Offering Periods shall generally commence and end as follows:

<u>Offering Commencement Dates</u>	<u>Offering Termination Dates</u>
Each August 1	Each January 31
Each February 1	Each July 31

Provided, however, that (i) the Offering Commencement Date and Offering Termination Date of the initial Offering Period under this Plan shall be October 21, 2002 and March 31, 2003, respectively, and (ii) the Offering Commencement Date and Offering Termination Date of the Offering Period immediately following the initial Offering Period under this Plan shall be April 1, 2003 and July 31, 2003, respectively.

On each Offering Commencement Date, the Company will grant to each eligible employee who is then a participant in the Plan an option to purchase on the Offering Termination Date at the Option Exercise Price, as hereinafter provided, that number of full shares of Common Stock reserved for the purpose of the Plan, up to a maximum of 1,000 shares, subject to increase or decrease (i) at the discretion of the Committee before each Offering Period or (ii) by reason of stock split-ups, reclassifications, stock dividends, changes in par value and the like (the “*Share Cap*”); provided that such employee remains eligible to participate in the Plan throughout such Offering Period. If the eligible employee’s accumulated payroll deductions on the Offering Termination Date would enable the eligible employee to purchase more than the Share Cap except for the Share Cap, the excess of the amount of the accumulated payroll deductions over the aggregate purchase price of the Share Cap shall be refunded to the eligible employee as soon as administratively practicable by the Company, without interest. The Option Exercise Price for each Offering Period shall be the lesser of (i) eighty-five percent (85%) of the fair market value 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. In the event of an increase or decrease in the number of outstanding shares of Common Stock through stock split-ups, reclassifications, stock dividends, changes in par value and the like, an appropriate adjustment shall be made in the number of shares and Option Exercise Price per share provided for under the Plan, either by a proportionate increase in the number of shares and proportionate decrease in the Option Exercise Price per share, or by a proportionate decrease in the number of shares and a proportionate increase in the Option Exercise Price per share, as may be required to enable an eligible employee who is then a participant in the Plan to acquire on the Offering Termination Date that number of full shares of Common Stock as his accumulated payroll deductions on such date will pay for at a price equal to the lesser of (i) eighty-five percent (85%) of the fair market value 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, as so adjusted.

For purposes of this Plan, the term “fair market value” means, if the Common Stock is listed on a national securities exchange or is on the National Association of Securities Dealers Automated Quotation (“*Nasdaq*”) Global Select Market

system, the closing sale price of the Common Stock on such exchange or as reported on Nasdaq or, if the Common Stock is traded in the over-the-counter securities market, but not on the Nasdaq Global Select Market, the closing bid quotation for the Common Stock, each as published in *The Wall Street Journal*. If no shares of Common Stock are traded on the Offering Commencement Date or Offering Termination Date, the fair market value will be determined on the next regular business day on which shares of Common Stock are traded.

For purposes of this Plan the term “business day” as used herein means a day on which there is trading on the Nasdaq Global Select Market or such national securities exchange on which the Common Stock is listed.

No employee shall be granted an option which permits his rights to purchase Common Stock under the Plan and any similar plans of the Company or any parent or subsidiary corporations to accrue at a rate which exceeds \$25,000 of fair market value of such stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with and shall be construed in accordance with Section 423(b)(8) of the Internal Revenue Code. 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 Section 423(b)(8) limitation described in this paragraph, the excess of the amount of the accumulated payroll deductions over the aggregate purchase price of the shares actually purchased shall be refunded as soon as administratively practicable to the participant by the Company, without interest.

## **5. Exercise of Option**

Each eligible employee who continues to be a participant in the Plan on the Offering Termination Date shall be deemed to have exercised his or her option on such date and shall be deemed to have purchased from the Company such number of full shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will pay for at the Option Exercise Price subject to the Share Cap and the Section 423(b)(8) limitation described in Article 4. If a participant is not an employee on the Offering Termination Date and throughout an Offering Period, he or she shall not be entitled to exercise his or her option.

If a participant’s accumulated payroll deductions in his or her account are based on a currency other than the U.S. dollar, then on the Offering Termination Date the accumulated payroll deductions in his or her account will be converted into an equivalent value of U.S. dollars based upon the U.S. dollar-foreign currency exchange rate in effect on that date, as reported in *The Wall Street Journal*, provided that such conversion does not result in an Option Exercise Price which is, in fact, less than the lesser of an amount equal to 85 percent of the fair market value of the Common Stock at the time such option is granted or 85 percent of the fair market value of the Common Stock at the time such option is exercised. The Plan administrators (as defined in Article 19) shall have the right to change such conversion date, as they deem appropriate to effectively purchase shares on any Offering Termination Date, provided that such action does not cause the Plan, or any grants under the Plan, to fail to qualify under Section 423 of the Internal Revenue Code.

## **6. Authorization for Entering Plan**

An eligible employee may enter the Plan by following a written, electronic or other enrollment process, including a payroll deduction authorization, as prescribed by the Plan administrators under generally applicable rules. Except as may otherwise be established by the Plan administrators under generally applicable rules, all enrollment authorizations shall be effective only if delivered to the designated Plan administrator(s) in accordance with the prescribed procedures not later than ten (10) business days before an applicable Offering Commencement Date. Participation may be conditioned on an eligible employee’s consent to transfer and process personal data and on acknowledgment and agreement to Plan terms and other specified conditions.

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. Participating employees may not make any separate cash payments into their account.

Unless an employee files a new authorization, or withdraws from the Plan, his or her deductions and purchases under the authorization he or she has on file under the Plan will continue as long as the Plan remains in effect. An employee may increase or decrease the amount of his or her payroll deductions as of the next Offering Commencement Date by filing a revised payroll deduction authorization in accordance with the procedures then applicable to such actions. Except as may otherwise be established by the Plan administrators under generally applicable rules, all revised authorizations shall be effective only if delivered to the designated Plan administrator(s) in accordance with the prescribed procedures not later than ten (10) business days before the next Offering Commencement Date.

## **7. Maximum Amount of Payroll Deductions**

An employee may authorize payroll deductions in an amount of not less than one percent (1%) and not more than fifteen percent (15%) (in whole number percentages only) of his or her eligible compensation. Such deductions shall be determined based on the employee's election in effect on the payday on which such eligible compensation is paid. An employee may not make any additional payments into such account. Eligible compensation means the wages as defined in Section 3401(a) of the Internal Revenue Code, determined without regard to any rules that limit compensation included in wages based on the nature or location or employment or services performed, including without limitation base pay, shift premium, overtime, gain sharing (profit sharing), incentive compensation, bonuses and commissions and all other payments made to the employee for services as an employee during the applicable payroll period, and excluding the value of any qualified or non-qualified stock option granted to the employee to the extent such value is includible in the taxable wages, reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits, but determined prior to any exclusions for any amounts deferred under Sections 125, 401(k), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b) of the Internal Revenue Code or for certain contributions described in Section 457(h)(2) of the Internal Revenue Code that are treated as Company contributions.

## **8. Unused Payroll Deductions**

Only full shares of Common Stock may be purchased. Any balance remaining in an employee's account after a purchase will be reported to the employee and will be carried forward to the next Offering Period. However, in no event will the amount of the unused payroll deductions carried forward from a payroll period exceed the Option Exercise Price per share for that Offering Period. If for any Offering Period the amount of unused payroll deductions should exceed the Option Exercise Price per share, the amount of the excess for any participant shall be refunded to such participant, without interest.

## **9. Change in Payroll Deductions**

Unless otherwise permitted by the Committee prior to the commencement of an Offering Period, payroll deductions may not be increased, decreased or suspended by a participant during an Offering Period. However, a participant may withdraw in full from the Plan.

## **10. Withdrawal from the Plan**

An employee may withdraw from the Plan and withdraw all but not less than all of the payroll deductions credited to his or her account under the Plan prior to the Offering Termination Date by completing and filing a withdrawal notification with the designated Plan administrator(s) in accordance with the prescribed procedures, in which event the Company will refund as soon as administratively practicable without interest the entire balance of such employee's deductions not previously used to purchase Common Stock under the Plan. Except as may otherwise be prescribed by the Plan

administrators under generally applicable rules, all withdrawals shall be effective only if delivered to the designated Plan administrator(s) in accordance with the prescribed procedures not later than ten (10) business days before the Offering Termination Date.

An employee who withdraws from the Plan is like an employee who has never entered the Plan; the employee's rights under the Plan will be terminated and no further payroll deductions will be made. To reenter, such an employee must re-enroll pursuant to the provisions of Article 6 before the next Offering Commencement Date which cannot, however, become effective before the beginning of the next Offering Period following his withdrawal.

#### **11. Issuance of Stock**

As soon as administratively practicable after each Offering Period the Company shall deliver (by electronic or other means) to the participant the Common Stock purchased under the Plan, except as specified below. The Plan administrators may permit or require that the Common Stock shares be deposited directly with a broker or agent designated by the Plan administrators, and the Plan administrators may utilize electronic or automated methods of share transfer. In addition, the Plan administrators may require that shares be retained with such broker or agent for a designated period of time (and may restrict dispositions during that period) and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares or to restrict transfer of such shares as required to ensure that the Company's applicable tax withholding obligations are satisfied.

#### **12. No Transfer or Assignment of Employee's Rights**

An employee's rights under the Plan are his or hers alone and may not be transferred or assigned to, or availed of by, any other person. Any option granted to an employee may be exercised only by him or her, except as provided in Article 13 in the event of an employee's death.

#### **13. Termination of Employee's Rights**

Except as set forth in Article 14, an employee's rights under the Plan will terminate when he or she ceases to be an employee because of retirement, resignation, lay-off, discharge, death, change of status, failure to remain in the customary employ of the Company for twenty (20) hours or more per week, or for any other reason. Notwithstanding anything to the contrary contained in Article 10, a withdrawal notice will be considered as having been received from the employee on the day his or her employment ceases, and all payroll deductions not used to purchase Common Stock will be refunded without interest.

Notwithstanding anything to the contrary contained in Article 10, if an employee's payroll deductions are interrupted by any legal process, a withdrawal notice will be considered as having been received from him or her on the day the interruption occurs.

#### **14. Death of an Employee**

Upon termination of the participating employee's employment because of death, the person(s) entitled to receipt of the Common Stock and/or cash as provided in this Article 14 shall have the right to elect, by written notice given to the Plan administrators prior to the expiration of the thirty (30) day period commencing with the date of the death of the employee, either (i) to withdraw, without interest, all of the payroll deductions credited to the employee's account under the Plan, or (ii) to exercise the employee's option for the purchase of shares of Common Stock on the next Offering Termination Date following the date of the employee's death for the purchase of that number of full shares of Common Stock reserved for the purpose of the Plan which the accumulated payroll deductions in the employee's account at the date of the employee's death will purchase at the applicable Option Exercise Price (subject to the limitations set forth in Article 4), and any

excess in such account (in lieu of fractional shares) will be paid to the employee's estate as soon as administratively practicable, without interest. In the event that no such written notice of election shall be duly received by the Plan administrators, the payroll deductions credited to the employee's account at the date of the employee's death will be paid to the employee's estate as soon as administratively practicable, without interest.

Except as provided in the preceding paragraph, in the event of the death of a participating employee, the Company shall deliver such Common Stock and/or cash to the executor or administrator of the estate of the employee.

#### **15. Termination and Amendments to Plan**

The Plan 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 purposes of the Plan have been purchased. In the event that the Board of Directors terminates the Plan pursuant to this Article 15, the date of such termination shall be deemed as the Offering Termination Date of the applicable Offering Period in which such termination date occurs. Upon such termination or any other termination of the Plan, all payroll deductions not used to purchase Common Stock will be refunded without interest.

The Committee or the Board of Directors may from time to time adopt amendments to the Plan provided that, without the approval of the stockholders of the Company, no amendment may (i) except as provided in Articles 3, 4, 24 and 25, increase the number of shares that may be issued under the Plan; (ii) change the class of employees eligible to receive options under the Plan, if such action would be treated as the adoption of a new plan for purposes of Section 423(b) of the Internal Revenue Code; or (iii) cause Rule 16b-3 under the Securities Exchange Act of 1934 to become inapplicable to the Plan.

#### **16. Limitations of Sale of Stock Purchased Under the Plan**

The Plan is intended to provide shares of Common Stock for investment and not for resale. The Company does not, however, intend to restrict or influence any employee in the conduct of his or her own affairs. An employee may, therefore, sell stock purchased under the Plan at any time the employee chooses, subject to compliance with any applicable federal or state securities laws and subject to any restrictions imposed under Articles 11 and 26. Each employee agrees by entering the Plan to promptly give the Company notice of any such Common Stock disposed of within two years after the Offering Commencement Date on which the Common Stock was purchased showing the number of such shares disposed of. The employee assumes the risk of any market fluctuations in the price of such Common Stock.

#### **17. Company's Offering of Expenses Related to Plan**

The Company will bear all costs of administering and carrying out the Plan.

#### **18. Participating Subsidiaries**

The term "participating subsidiaries" shall mean any present or future subsidiary of the Company which is designated by the Committee to participate in the Plan. The Committee shall have the power to make such designation(s) before or after the Plan is approved by the stockholders.

#### **19. Administration of the Plan**

The Plan may be administered by the Compensation Committee, or such other committee as may be appointed by the Board of Directors of the Company (the "*Committee*"). No member of the Committee shall be eligible to participate in the Plan while serving as a member of the Committee. In the event that the Board of Directors fails to appoint or refrains from

appointing a Committee, the Board of Directors shall have all power and authority to administer the Plan (in such event the word "Committee" shall refer to the Board of Directors).

The Committee shall have the authority to construe and interpret the Plan and options, and to establish, amend and revoke rules and regulations for the administration of the Plan. The Committee, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective. The interpretation and construction by the Committee of any provisions of the Plan or of any option granted under it shall be final. The Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem best. Without limiting the foregoing, the Committee shall have the power, subject to, and within the limitations of, the express provisions of the Plan: (i) to determine when and how options to purchase shares of Common Stock shall be granted and the provisions of each Offering Period (which need not be identical); (ii) to designate from time to time which participating subsidiaries of the Company shall be eligible to participate in the Plan; (iii) to determine the Offering Commencement Date and Offering Termination Date of any Offering Period; (iv) to increase or decrease the maximum number of shares which may be purchased by an eligible employee in any Offering Period; (v) to amend the Plan as provided in Article 15, and (vi) generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and the participating subsidiaries.

The Committee may delegate to one or more individuals the day-to-day administration of the Plan. Without limitation, subject to the terms and conditions of this Plan, the President, the Chief Financial Officer of the Company, and any other officer of the Company or committee of officers or employees designated by the Committee (collectively, the "*Plan administrators*"), shall each be authorized to determine the methods through which eligible employees may elect to participate, amend their participation, or withdraw from participation in the Plan, and establish methods of enrollment by means of a manual or electronic form of authorization or an integrated voice response system. The Plan administrators are further authorized to determine the matters described in Article 11 concerning the means of issuance of Common Stock and the procedures established to permit tracking of disqualifying dispositions of shares or to restrict transfer of such shares.

With respect to persons subject to Section 16 of the Securities and Exchange Act of 1934, as amended, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under said Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by that Committee.

No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it. The Company shall indemnify each member of the Board of Directors and the 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 this Plan.

As soon as administratively practicable after the end of each Offering Period, the Plan administrators shall prepare and distribute or make otherwise readily available by electronic means or otherwise to each participating employee in the Plan information concerning the amount of the participating employee's accumulated payroll deductions as of the Offering Termination Date, the Option Exercise Price for such Offering Period, the number of shares of Common Stock purchased by the participating employee with the participating employee's accumulated payroll deductions, and the amount of any unused payroll deductions either to be carried forward to the next Offering Period, or returned to the participating employee without interest.

## **20. Optionees Not Stockholders**

Neither the granting of an option to an employee nor the deductions from his or her pay shall constitute such employee a stockholder of the Company with respect to the shares covered by such option until such shares have been purchased by and issued to him.

## **21. Application of Funds**

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

## **22. Governmental Regulation**

The Company's obligation to sell and deliver shares of the Company's Common Stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such stock.

In this regard, the Board of Directors may, in its discretion, require as a condition to the exercise of any option that a Registration Statement under the Securities Act of 1933, as amended, with respect to the shares of Common Stock reserved for issuance upon exercise of the option shall be effective.

## **23. Transferability**

Neither payroll deductions credited to an employee's account nor any rights with regard to the exercise of an option or to receive stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by the employee. Any such attempted assignment, transfer, pledge, or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Article 10.

## **24. Effect of Changes of Common Stock**

If the Company should subdivide or reclassify the Common Stock which has been or may be optioned under the Plan, 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.

## **25. Merger or Consolidation**

If the Company should at any time merge into or consolidate with another corporation, the Board of Directors may, at its election, either (i) terminate the Plan and refund without interest the entire balance of each participating employee's payroll deductions, or (ii) entitle each participating employee 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, and the Board of Directors shall take such steps in connection with such merger or consolidation as the Board of Directors shall deem necessary to assure that the provisions of this Article 25 shall thereafter be applicable, as nearly as reasonably possible. A sale of all or substantially all of the assets of the Company shall be deemed a merger or consolidation for the foregoing purposes.



## **26. Withholding of Additional Tax**

By electing to participate in the Plan, each participant acknowledges that the Company and its participating subsidiaries are required to withhold taxes with respect to the amounts deducted from the participant's compensation and accumulated for the benefit of the participant under the Plan, and each participant agrees that the Company and its participating subsidiaries may deduct additional amounts from the participant's compensation, when amounts are added to the participant's account, used to purchase Common Stock or refunded, in order to satisfy such withholding obligations. Each participant further acknowledges that when Common Stock is purchased under the Plan the Company and its participating subsidiaries may be required to withhold taxes with respect to all or a portion of the difference between the fair market value of the Common Stock purchased and its purchase price, and each participant agrees that such taxes may be withheld from compensation otherwise payable to such participant. It is intended that tax withholding will be accomplished in such a manner that the full amount of payroll deductions elected by the participant under Article 7 will be used to purchase Common Stock. However, if amounts sufficient to satisfy applicable tax withholding obligations have not been withheld from compensation otherwise payable to any participant then, notwithstanding any other provision of the Plan, the Company may withhold such taxes from the participant's accumulated payroll deductions and apply the net amount to the purchase of Common Stock, unless the participant pays to the Company, prior to the exercise date, an amount sufficient to satisfy such withholding obligations. Each participant further acknowledges that the Company and its participating subsidiaries may be required to withhold taxes in connection with the disposition of stock acquired under the Plan and agrees that the Company or any participating subsidiary may take whatever action it considers appropriate to satisfy such withholding requirements, including deducting from compensation otherwise payable to such participant an amount sufficient to satisfy such withholding requirements or conditioning any disposition of Common Stock by the participant upon the payment to the Company or such subsidiary of an amount sufficient to satisfy such withholding requirements.

## **27. Approval of Stockholders**

This Plan was first adopted by the Board of Directors on September 25, 2002, and amended on January 14, 2003, and approved, as amended, by the stockholders of the Company on March 10, 2003. The Plan was subsequently amended and approved by the stockholders on March 30, 2006, March 27, 2008, May 11, 2011, May 6, 2020, and May 14, 2024.



# SKYWORKS SOLUTIONS, INC.

## NON-QUALIFIED EMPLOYEE STOCK PURCHASE PLAN

### 1. Purpose

The Skyworks Solutions, Inc. Non-Qualified Employee Stock Purchase Plan (hereinafter the “*Plan*”), effective as of October 1, 2002, is intended to provide a method whereby employees of participating organizations (as defined in Article 17) of Skyworks Solutions, Inc. (the “*Company*”) will have an opportunity to acquire a proprietary interest in the Company through the purchase of shares of the Company’s Common Stock. It is the intention of the Company that this Plan authorize the grant of purchase rights and issuance of Common Stock which do not qualify as an “Employee Stock Purchase Plan” under section 423 of the United States Internal Revenue Code of 1986, as amended (the “*Internal Revenue Code*”).

### 2. Eligible Employees

All employees of any of the participating organizations of the Company who are employed by the Company or a participating organization at least ten (10) business days prior to the first day of the applicable Offering Period or any Special Offering Period (each as defined below), or at such other time on or before the first day of the applicable Offering Period or any Special Offering Period, as determined by the Committee (the “*Eligibility Date*”), shall be eligible to participate in and receive rights under this Plan to purchase Common Stock. Except as otherwise provided herein, persons who become eligible employees after the Eligibility Date shall be eligible to receive purchase rights on the first day of the next succeeding Offering Period on which purchase rights are granted to eligible employees under the Plan. In no event may an employee be granted a purchase right if such employee, immediately after the purchase right is granted, owns stock possessing five (5%) percent or more of the total combined voting power or value of all classes of stock of the Company or of its parent corporation or subsidiary corporation as the terms “parent corporation” and “subsidiary corporation” are defined in Section 424(e) and (1) of the Internal Revenue Code. For purposes of determining stock ownership under this paragraph, the rules of Section 424(d) of the Internal Revenue Code shall apply and stock which the employee may purchase under outstanding purchase rights shall be treated as stock owned by the employee. All employees who participate in the Plan shall have the same rights and privileges under the Plan except for differences which may be mandated by local law and except that employees participating in a sub-plan adopted pursuant to Article 26 need not have the same rights and privileges as other employees participating in the Plan. The Committee (as defined in Article 18) may impose restrictions on eligibility and participation of employees who are officers and directors to facilitate compliance with federal or state securities laws or foreign laws.

### 3. Stock Subject to the Plan

The stock subject to the purchase rights granted hereunder shall be shares of the Company’s authorized but unissued Common Stock or shares of Common Stock reacquired by the Company, including shares purchased in the open market. The aggregate number of shares which may be issued pursuant to the Plan is 2,120,000 for all Offering Periods, including

any Special Offering Period, subject to increase or decrease by reason of stock split-ups, reclassifications, stock dividends, changes in par value and the like. If any purchase right granted under the Plan shall expire or terminate for any reason without having been exercised in full or shall cease for any reason to be exercisable in whole or in part, the unpurchased shares subject to such purchase right shall again be available under the Plan. If the number of shares of Common Stock available for any Offering Period, including any Special Offering Period, is insufficient to satisfy all purchase requirements for that Offering Period, the available shares for that Offering Period shall be apportioned among participating employees in proportion to their purchase rights.

#### 4. Offering Periods and Stock Purchase Rights

There shall be Offering Periods and Special Offering Periods during which payroll deductions or permitted cash contributions will be accumulated under the Plan. Each Offering Period, including any Special Offering Period, includes only regular paydays falling within it. The Committee shall be expressly permitted to establish the Offering Periods and the Special Offering Periods, including the Offering Commencement Date and Offering Termination Date (as both defined below) of any Offering Period or Special Offering Period, under the Plan; provided, however, that in no event shall any Offering Period or Special Offering Period extend for more than twenty-four (24) months.

Subject to the foregoing, the Offering Periods shall generally commence and end as follows:

<u>Offering Period Commencement Dates</u>	<u>Offering Period Termination Dates</u>
Each February 1	Each July 31
Each August 1	Each January 31

Provided, however, that (i) the Offering Commencement Date and Offering Termination Date of the initial Offering Period under this Plan shall be October 1, 2002 and March 31, 2003, respectively, and (ii) the Offering Commencement Date and Offering Termination Date of the Offering Period immediately following the initial Offering Period under this Plan shall be April 1, 2003 and July 31, 2003, respectively.

Notwithstanding the foregoing, in the event that the Committee adopts a sub-plan or establishes eligibility pursuant to Article 26 hereof for the employees of a particular organization or location, there will be a Special Offering Period (the "***Special Offering Period***") that will begin ten (10) business days after the adoption of such a sub-plan or such establishment of eligibility for all employees that particular organization or location who are eligible as of the date of the Offering Commencement Date of the Special Offering Period.

The Offering Commencement Date is the first day of each Offering Period, including any Special Offering Period. The Offering Termination Date is the applicable date on which an Offering Period ends under this Article 4. In the case of a Special Offering Period, the Offering Termination Date is the date which is the Offering Termination Date for the regular Offering Period in which the Offering Commencement Date for such Special Offering Period occurs unless otherwise decided by the Committee in its discretion.

On each Offering Commencement Date, the Company will grant to each eligible employee who is then a participant in the Plan a purchase right to purchase on the Offering Termination Date at the Purchase Right Exercise Price, as hereinafter provided, that number of full shares of Common Stock reserved for the purpose of the Plan, up to a maximum of 1,000 shares, subject to increase or decrease by reason of stock split-ups, reclassifications, stock dividends, changes in par value and the like; provided that such employee remains eligible to participate in the Plan throughout such Offering Period or Special Offering Period, as the case may be. If the eligible employee's accumulated payroll deductions or permitted cash contributions on the Offering Termination Date would enable the eligible employee to purchase more than 1,000 shares except for the 1,000-share limitation, the excess of the amount of the accumulated payroll deductions or permitted cash

contributions over the aggregate Purchase Right Exercise Price of the 1,000 shares shall be refunded to the eligible employee by the Company as soon as administratively practicable, without interest (except where required by local law as determined by the Committee). The Purchase Right Exercise Price for each Offering Period, including any Special Offering Period, shall be the lesser of (i) eighty-five percent (85%) of the fair market value 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. In the event of an increase or decrease in the number of outstanding shares of Common Stock through stock splits, reclassifications, stock dividends, changes in par value and the like, an appropriate adjustment shall be made in the number of shares and Purchase Right Exercise Price per share provided for under the Plan, either by a proportionate increase in the number of shares and proportionate decrease in the Purchase Right Exercise Price per share, or by a proportionate decrease in the number of shares and a proportionate increase in the Purchase Right Exercise Price per share, as may be required to enable an eligible employee who is then a participant in the Plan to acquire on the Offering Termination Date that number of full shares of Common Stock as his or her accumulated payroll deductions or permitted cash contributions on such date will pay for at a price equal to the lesser of (i) eighty-five percent (85%) of the fair market value 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, as so adjusted.

For purposes of this Plan, the term “fair market value” means, if the Common Stock is listed on a national securities exchange or is on the (U.S.) National Association of Securities Dealers Automated Quotation (“*Nasdaq*”) Global Select Market system, the closing sale price of the Common Stock on the relevant date on such exchange or as reported on Nasdaq or, if the Common Stock is traded in the over-the-counter securities market, but not on the Nasdaq Global Select Market, the closing bid quotation for the Common Stock, each as published in *The Wall Street Journal*, if no shares of Common Stock are traded on the Offering Commencement Date or Offering Termination Date, the fair market value will be determined on the next regular business day on which shares of Common Stock are traded.

For purposes of this Plan the term “business day” as used herein means a day on which there is trading on the Nasdaq Global Select Market or such national securities exchange on which the Common Stock is listed.

No employee shall be granted a purchase right which permits the employee to purchase Common Stock under the Plan and any similar plans of the Company or any parent or subsidiary corporations at a rate which exceeds \$25,000 of fair market value of such stock (determined at the time such purchase right is granted) for each calendar year in which such purchase right is outstanding at any time. If the participant’s accumulated payroll deductions or permitted cash contributions on the Offering Termination Date would otherwise enable the participant to purchase Common Stock in excess of the \$25,000 limitation described in this paragraph, the excess of the amount of the accumulated payroll deductions or permitted cash contributions over the aggregate Purchase Right Exercise Price of the shares actually purchased shall be refunded to the participant by the Company or its participating organization as soon as administratively practicable, without interest (except where required by local law as determined by the Committee).

## **5. Exercise of Purchase Right**

Each eligible employee who continues to be a participant in the Plan on the Offering Termination Date shall be deemed to have exercised his or her purchase right on such date and shall be deemed to have purchased from the Company such number of full shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions or permitted cash contributions on such date will pay for at the Purchase Right Exercise Price subject to the 1000-share limit of the purchase right and the \$25,000 limitation described in Article 4. If a participant is not an eligible employee on the Offering Termination Date and throughout an Offering Period or Special Offering Period, he or she shall not be entitled to exercise his or her purchase right under the Plan.

If a participant's accumulated payroll deductions or permitted cash contributions in his or her account are based on a currency other than the U.S. dollar, then on the Offering Termination Date, the accumulated payroll deductions or permitted cash contributions in his or her account will be converted into an equivalent value of U.S. dollars based upon the U.S. dollar-foreign currency exchange rate in effect on that date, as reported in *The Wall Street Journal*, provided that such conversion does not result in an Purchase Right Exercise Price which is, in fact, less than the lesser of an amount equal to 85% of the fair market value of the Common Stock on the Offering Commencement Date or 85% of the fair market value of the Common Stock on the Offering Termination Date. The Committee shall have the right to change such conversion date, as they deem appropriate to effectively purchase shares on any Offering Termination Date.

## **6. Authorization for Entering Plan**

An eligible employee may enter the Plan by following a written, electronic or other enrollment process, including a payroll deduction authorization, as prescribed by the Committee. Except as may otherwise be established by the Committee, all enrollment authorizations shall be effective only if delivered to the designated Plan Administrator(s) (as defined in Article 18) in accordance with the prescribed procedures not later than the Eligibility Date or such other time as determined by the Committee. Participation may be conditioned on an eligible employee's consent to transfer and process personal data and on acknowledgment and agreement to Plan terms and other specified conditions.

The Company or its participating organization will accumulate and hold for the employee's account the accumulated payroll deductions or cash contributions. No interest will be paid thereon (except where required by local law as determined by the Committee). In jurisdictions in which participating employees may contribute to the Plan through payroll deductions, they may not make any separate cash payments into their account.

Unless an employee files a new enrollment authorization, or withdraws from the Plan, his or her payroll deductions or cash contribution and purchases under the enrollment authorization he or she has on file under the Plan shall continue as long as the Plan remains in effect. An employee may increase or decrease the amount of his or her payroll deductions or permitted cash contributions as of the next Offering Commencement Date by filing a revised payroll deduction authorization or cash contribution election in accordance with the procedures then applicable to such actions. Except as may otherwise be established by the Committee, all revised authorizations and elections shall be effective only if delivered to the designated Plan Administrator(s) in accordance with the prescribed procedures not later than ten (10) business days before the next Offering Commencement Date.

## **7. Maximum Amount of Payroll Deductions and Permitted Cash Contributions**

An employee may authorize payroll deductions or make cash contributions in an aggregate amount of not less than one percent (1%) and not more than fifteen percent (15%) (in whole number percentages only) of his or her eligible compensation. Such deductions or the amount of the cash contribution shall be determined based on the employee's election in effect on the payday on which such eligible compensation is paid. An employee may not make any additional payments into such account. Except as otherwise required by local laws, eligible compensation means the wages as defined in Section 3401(a) of the Internal Revenue Code, determined without regard to any rules that limit compensation included in wages based on the nature or location of employment or services performed, including without limitation base pay, shift premium, overtime, gain sharing (profit sharing), incentive compensation, bonuses and commissions and all other payments made to the employee for services as an employee during the applicable payroll period, and excluding the value of any qualified or non-qualified stock option, purchase right or other share-based award granted to the employee to the extent such value is includible in the taxable wages, reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits, but determined prior to any exclusions for any amounts deferred under Sections 125, 401(k), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b) of the Internal Revenue Code or for certain contributions described in Section 457(h)(2) of the Internal Revenue Code that are treated as Company contributions.

## **8. Unused Payroll Deductions and Permitted Cash Contributions**

Only full shares of Common Stock may be purchased. Any balance remaining in an employee's account after a purchase will be reported to the employee and will be carried forward to the next Offering Period. However, in no event will the amount of the unused payroll deductions or permitted cash contributions carried forward from an Offering Period exceed the Purchase Right Exercise Price per share for that Offering Period or Special Offering Period, as the case may be. If for any Offering Period, including any Special Offering Period, the amount of unused payroll deductions or permitted cash contributions should exceed the Purchase Right Exercise Price per share, the amount of the excess for any participant shall be refunded to such participant as soon as administratively practicable, without interest (except where required by local law as determined by the Committee).

## **9. Change in Payroll Deductions or Permitted Cash Contributions**

Deductions or cash contributions may not be increased or decreased during an Offering Period or Special Offering Period, as the case may be.

## **10. Withdrawal from the Plan**

An employee may withdraw from the Plan and withdraw all but not less than all of the payroll deductions or permitted cash contributions credited to his or her account under the Plan prior to the Offering Termination Date by completing and filing a withdrawal notification with the designated Plan Administrator(s) in accordance with the prescribed procedures, in which event the Company will refund as soon as administratively practicable without interest (except where required by local law as determined by the Committee) the entire balance of such employee's deductions or cash contributions not previously used to purchase Common Stock under the Plan. Except as may otherwise be established by the Committee, all withdrawals shall be effective only if delivered to the designated Plan Administrator(s) in accordance with the prescribed procedures not later than ten (10) business days before the Offering Termination Date.

An employee who withdraws from the Plan is like an employee who has never entered the Plan; the employee's rights under the Plan will be terminated and no further payroll deductions or cash contributions will be made. To reenter, such an employee must re-enroll pursuant to the provisions of Article 6 before the next Offering Commencement Date which cannot, however, become effective before the beginning of the next Offering Period or Special Offering Period following his or her withdrawal.

## **11. Issuance of Stock**

As soon as administratively practicable after each Offering Period, including any Special Offering Period, the Company shall deliver (by electronic or other means) to the participant the Common Stock purchased under the Plan, except as specified below. The Committee may permit or require that the Common Stock shares be deposited directly with a broker or agent designated by the Committee, and the Committee may authorize electronic or automated methods of share transfer. In addition, the Committee may establish other procedures to ensure that the Company's and its subsidiaries' applicable tax withholding obligations are satisfied.

## **12. No Transfer or Assignment of Employee's Rights**

An employee's rights under the Plan are his or hers alone and may not be transferred or assigned to, or availed of by, any other person. Any purchase right granted to an employee may be exercised only by him or her, except as provided in Article 13 in the event of an employee's death.

### **13. Termination of Employee's Rights**

Except as set forth in the last paragraph of this Article 13, an employee's rights under the Plan will terminate when he or she ceases to be an employee because of retirement, resignation, lay-off, discharge, death, change of status, or fails to meet the applicable requirements for eligibility in the Plan, or for any other reason. Notwithstanding anything to the contrary contained in Article 10, a withdrawal notice will be considered as having been received from the employee on the day his or her employment ceases, and all payroll deductions or permitted cash contributions not used to purchase Common Stock will be refunded as soon as administratively feasible without interest (except where required by local law as determined by the Committee).

Notwithstanding anything to the contrary contained in Article 10, if an employee's payroll deductions or permitted cash contributions are interrupted by any legal process, a withdrawal notice will be considered as having been received from him or her on the day the interruption occurs.

Upon termination of the participating employee's employment because of death, the authorized legal representative of the employee's estate shall have the right to elect, by written notice given to the Plan Administrators prior to the earlier of the expiration of the thirty (30) day period commencing with the date of the death of the employee or the first Offering Termination Date following the date of the death of the employee, either (i) to withdraw, without interest (except where required by local law as determined by the Committee), all of the payroll deductions or permitted cash contributions credited to the employee's account under the Plan, or (ii) to exercise the employee's purchase right for the purchase of shares of Common Stock on the next Offering Termination Date following the date of the employee's death for the purchase of that number of full shares of Common Stock reserved for the purpose of the Plan which the accumulated payroll deductions or permitted cash contributions in the employee's account at the date of the employee's death will purchase at the applicable Purchase Right Exercise Price (subject to the limitations set forth in Article 4), and any excess in such account (in lieu of fractional shares) will be paid to the employee's estate as soon as administratively practicable, without interest (except where required by local law as determined by the Committee). In the event that no such written notice of election shall be duly received by the Plan Administrators, the payroll deductions or permitted cash contributions credited to the employee's account at the date of the employee's death will be paid to the employee's estate as soon as administratively practicable, without interest (except where required by local law as determined by the Committee).

### **14. Termination and Amendments to Plan**

The Plan 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 purposes of the Plan have been purchased. Upon such termination or any other termination of the Plan, all payroll deductions or permitted cash contributions not used to purchase Common Stock will be refunded without interest (except where required by local law as determined by the Committee).

The Committee or the Board of Directors may, in its sole discretion, insofar as permitted by law, adopt amendments to the Plan from time to time.

### **15. Limitations of Sale of Stock Purchased under the Plan**

The Plan is intended to provide shares of Common Stock for investment and not for resale. The Company does not, however, intend to restrict or influence any employee in the conduct of his or her own affairs. An employee may, therefore, sell stock purchased under the Plan at any time the employee chooses, subject to compliance with any applicable securities laws and subject to any restrictions imposed under Articles 11 and 25. The employee assumes the risk of any market fluctuations in the price of such Common Stock.

## **16. Company's Offering of Expenses Related to Plan**

The Company will bear all costs of administering and carrying out the Plan.

## **17. Participating Organizations**

The term "participating organizations" shall mean any present or future subsidiary, organization or business unit of the Company which is designated by the Committee to participate in the Plan.

## **18. Administration of the Plan**

The Plan shall be administered by a committee of "disinterested" directors as that term is defined in Rule 16b-3 under the U.S. Securities Exchange Act of 1934, as amended, appointed by the Board of Directors of the Company (the "**Committee**"). The Committee shall consist of not less than two members of the Company's Board of Directors. The Board of Directors may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board of Directors. No member of the Committee shall be eligible to participate in the Plan while serving as a member of the Committee.

The Committee shall select one of its members as Chairman, and shall hold meetings at such times and places as it may determine. Acts by a majority of the Committee, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee.

The Committee shall have the authority to construe and interpret the provisions of the Plan and of any purchase rights granted under the Plan, and to establish, amend and revoke rules and regulations for the administration of the Plan. The Committee, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective. The interpretation and construction by the Committee of any provisions of the Plan or of any purchase rights granted under it shall be final. The Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem best. Without limiting the foregoing, the Committee shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

- (i) to determine when and how purchase rights to purchase shares of Common Stock shall be granted and the provisions of each Offering Period or Special Offering Period (which need not be identical);
- (ii) to designate from time to time which participating organization of the Company shall be eligible to participate in the Plan;
- (iii) to determine the Offering Commencement Date and Offering Termination Date of any Offering Period or Special Offering Period;
- (iv) to increase or decrease the maximum number of shares which may be purchased by an eligible employee in any Offering Period or Special Offering Period;
- (v) to amend the Plan as provided in Article 14; and
- (vi) generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interest of the Company and the participating organizations.



The Committee may, insofar as permitted by applicable laws and regulations, limit participation in the Plan, for participating organizations, to employees whose customary employment is greater than twenty (20) hours per week and is more than five (5) months in any calendar year.

With respect to persons subject to Section 16 of the Securities and Exchange Act of 1934, as amended, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under said Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any purchase right granted under it. The Company shall indemnify each member of the Board of Directors and the 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 this Plan.

The Committee may delegate to one or more individuals the day-to-day administration of the Plan. Without limitation, subject to the terms and conditions of this Plan, the President, the Chief Financial Officer of the Company, and any other officer of the Company or committee of officers or employees designated by the Committee (collectively, the “*Plan Administrators*”), shall each be authorized to determine the methods through which eligible employees may elect to participate, amend their participation, or withdraw from participation in the Plan, and establish methods of enrollment by means of a manual or electronic form of authorization or an integrated voice response system. The Plan Administrators are further authorized to determine the matters described in Articles 11 and 25 concerning the means of issuance of Common Stock and the procedures established to ensure that the Company’s applicable tax withholding obligations are satisfied.

As soon as administratively practicable after the end of each Offering Period and the Special Offering Period, the Plan Administrators shall prepare and distribute or make otherwise readily available by electronic means or otherwise to each participating employee in the Plan information concerning the amount of the participating employee’s accumulated payroll deductions or permitted cash contributions as of the Offering Termination Date, the Purchase Right Exercise Price for such Offering Period or Special Offering Period, the number of shares of Common Stock purchased by the participating employee with the participating employee’s accumulated payroll deductions or permitted cash contributions, and the amount of any unused payroll deductions or permitted cash contributions either to be carried forward to the next Offering Period or returned to the participating employee without interest or otherwise distributed or retained as required by local law as determined by the Committee.

## **19. Participants Not Stockholders**

Neither the granting of a purchase right to an employee nor the deductions from his or her pay shall make such employee a stockholder of the Company with respect to the shares covered by such purchase right until such shares have been purchased by and issued to him or her.

## **20. Application of Funds**

The proceeds received by the Company and the participating organization for the purchase Common Stock pursuant to purchase rights granted under the Plan may be used for any corporate purposes, and the Company shall not be obligated to segregate participating employees’ payroll deductions or permitted cash contributions, unless required by applicable laws and regulations.

## **21. Governmental Regulation**

The Company's obligation to sell and deliver shares of the Company's Common Stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such stock.

In this regard, the Board of Directors may, in its discretion, require as a condition to the exercise of any purchase right that a Registration Statement under the U.S. Securities Act of 1933, as amended, with respect to the shares of Common Stock reserved for issuance upon exercise of the purchase right shall be effective, and that all other applicable provisions of U.S. state and federal and applicable foreign law have been satisfied.

## **22. Transferability**

Neither payroll deductions or permitted cash contributions credited to an employee's account nor any rights with regard to the exercise of a purchase right or to receive stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by the employee. Any such attempted assignment, transfer, pledge, or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Article 10.

## **23. Effect of Changes on Common Stock**

If the Company should subdivide or reclassify the Common Stock which has been or may be subject to purchase rights under the Plan, 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 subject to purchase rights (in the aggregate and to any individual participating employee) shall be adjusted accordingly.

## **24. Merger or Consolidation**

If the Company should at any time merge into or consolidate with another corporation, the Board of Directors may, at its election, either (i) terminate the Plan and refund without interest (except where required by local law as determined by the Committee) the entire balance of each participating employee's payroll deductions or permitted cash contributions, or (ii) entitle each participating employee to receive on the Offering Termination Date upon the exercise of such purchase right for each share of Common Stock as to which such purchase right 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, and the Board of Directors shall take such steps in connection with such merger or consolidation as the Board of Directors shall deem necessary to assure that the provisions of this Article 24 shall thereafter be applicable, as nearly as reasonably possible. A sale of all or substantially all of the assets of the Company shall be deemed a merger or consolidation for the foregoing purposes.

## **25. Withholding of Additional Tax**

By electing to participate in the Plan, each participant acknowledges that the Company and the participating organizations may be required to withhold taxes with respect to the amounts deducted from the participant's compensation and accumulated for the benefit of the participant under the Plan, and each participant agrees that the Company and the participating organizations may deduct additional amounts from the participant's compensation, when amounts are added to the participant's account, used to purchase Common Stock or refunded, in order to satisfy such withholding obligations. Each participant further acknowledges that when Common Stock is purchased under the Plan the Company and the participating organizations may be required to withhold taxes with respect to the Common Stock purchased, and each participant agrees that such taxes may be withheld from compensation otherwise payable to such participant. It is intended that tax withholding will be accomplished in such a manner that the full amount of payroll deductions or permitted cash

contributions elected by the participant under Article 7 will be used to purchase Common Stock. However, if amounts sufficient to satisfy applicable tax withholding obligations have not been withheld from compensation otherwise payable to any participant then, notwithstanding any other provision of the Plan, the Company and the participating organizations may withhold such taxes from the participant's accumulated payroll deductions or permitted cash contributions and apply the net amount to the purchase of Common Stock, unless the participant pays to the Company or the participating organizations, prior to the Offer Termination Date, an amount sufficient to satisfy such withholding obligations. Each participant further acknowledges that the Company and the participating organizations may be required to withhold taxes in connection with the disposition of stock acquired under the Plan and agrees that the Company and the participating organizations may take whatever actions they consider appropriate to satisfy such withholding requirements, including deducting from compensation otherwise payable to such participant an amount sufficient to satisfy such withholding requirements or conditioning any disposition of Common Stock by the participant upon the payment to the Company or the participating organizations of an amount sufficient to satisfy such withholding requirements.

## **26. Committee Rules for Foreign Jurisdictions**

The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to (and to delegate to the Plan Administrators the authority to) adopt rules and procedures regarding handling of payroll deductions, cash contributions, payment of interest, conversion of local currency, tax, withholding procedures and handling of stock certificates which vary with local requirements.

The Committee may also adopt sub-plans and establish or discontinue eligibility to participate in the Plan applicable to particular organizations or locations. The rules of such sub-plans may take precedence over other provisions of this Plan, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

## CERTIFICATION OF THE CEO PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Liam K. Griffin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Skyworks Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Liam K. Griffin

Liam K. Griffin  
Chairman, Chief Executive Officer and President

## CERTIFICATION OF THE CFO PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kris Sennesael, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Skyworks Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Kris Sennesael

Kris Sennesael

Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Skyworks Solutions, Inc. (the "Company") on Form 10-Q for the period ended June 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Liam K. Griffin, Chairman, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Liam K. Griffin

Liam K. Griffin  
Chairman, Chief Executive Officer and President  
July 30, 2024

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Skyworks Solutions, Inc. (the "Company") on Form 10-Q for the period ended June 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kris Sennesael, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Kris Sennesael

Kris Sennesael  
Senior Vice President and Chief Financial Officer  
July 30, 2024