

**SEMTECH CORPORATION  
COMPENSATION COMMITTEE CHARTER**

**A. Purpose**

The Board of Directors (“Board”) of Semtech Corporation (the “Company”) has established, in accordance with the Company’s Bylaws, a Compensation Committee (“Committee”) whose authority and responsibilities are described by this Charter.

The purpose of the Committee is to discharge the Board’s responsibilities relating to compensation of the Company’s executive officers and directors, and to carry out the other responsibilities set forth in this Charter. In carrying out its responsibilities, the Committee will maintain and facilitate free and open communication between directors and the management of the Company.

**B. Size, Composition and Term of Appointment**

1. The Committee is a committee of the Board and shall be made up entirely of outside directors who are independent of management, as defined by the relevant SEC and National Association of Securities Dealers (“NASD”) rules, including rules regarding compensation committee interlocks.
2. The Committee shall consist of no fewer than three directors.
3. Notwithstanding any other provision of this charter, under exceptional and limited circumstances the Board may appoint a non-independent director to the Committee in accordance with, and subject to, the limitations of NASD Rule 4350(c)(3)(C).
4. The Board shall annually appoint the Committee’s Chair and members and as part of that process shall determine whether each member is independent.
5. Each member of the Committee is expected to contribute significantly to the work of the Committee.

**C. Meetings**

1. The Committee will meet on a quarterly basis and special meetings may be called when circumstances require.
2. Minutes of Committee meetings will be prepared and distributed to Committee members and approved at subsequent meetings. Final minutes of all Committee Meetings shall be sent to the Secretary of the Company for safekeeping with the Company’s records.
3. The Committee will be governed by the same rules regarding meetings, actions without meetings, notice, waiver of notice, and quorum and voting requirements that are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with any provision of this Charter, the Bylaws of the Company, or the laws of the State of Delaware.

**D. Authority/Oversight by the Board of Directors**

1. The Committee derives its authority from the Bylaws of the Company. The Committee’s direct reporting relationship is to the Board.
2. The Committee will report its activities to the full Board on a regular basis so that the Board is kept informed of its activities on a current basis. The Committee will perform all duties determined by the Board.
3. The Committee is authorized to have full and unrestricted access to all personnel, records, operations, properties, and other information and resources of the Company as required to discharge its duties and responsibilities properly. The Committee has the authority to direct and supervise an investigation into any matter within the scope of its duties.

**E. Outside Advisors/Funding**

1. The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties. The Company shall provide for the appropriate funding, as determined by the Committee, for payment of (i) compensation to any such counsel and other advisors engaged by the Committee and (ii) ordinary administrative expenses necessary or appropriate in carrying out its duties.
2. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

## **F. Responsibilities and Duties**

### **1. Compensation Philosophy**

- a. The Committee shall review and evaluate the Company's long-term strategy of employee compensation, endeavoring to ensure that compensation policies are designed to attract and retain key employees, motivate employees to achieve the Company's business objectives, and align the interests of the Company's executive management with the long-term interests of the Company's shareholders.
- b. The Committee shall review and evaluate the Company's compensation policies and practices, endeavoring to ensure that high levels of individual performance are recognized and rewarded and that the compensation of employees is consistent with the levels of compensation of comparable companies, general economic conditions, and the Company's performance.

### **2. Executive Compensation and Related Matters**

- a. The Committee shall at least annually review and approve goals and objectives for the Chief Executive Officer and evaluate the Chief Executive Officer's performance against those goals and objectives.
- b. The Committee shall determine, or recommend to the Board for determination, all elements of the compensation of the Chief Executive Officer. Notwithstanding the Committee's authority to invite members of Company management to attend Committee meetings, the Chief Executive Officer may not be present during voting or deliberations.
- c. The Committee shall determine, or recommend to the Board for determination, all elements of the compensation of all other executive officers. For purposes of this charter, executive officers means all employees covered in SEC Rule 16a-1(f). That is, those employees who have been determined by the Board to be subject to Section 16 of the Securities Exchange Act of 1934, as amended.
- d. Each year the Committee shall produce a report on executive compensation to be included in the Company's proxy statement as required by the rules and regulations of the SEC, as they may be amended from time to time.
- e. The Committee shall from time to time review the Company's management development programs and succession plans and review and recommend to the Board candidates for election as executive officers of the Company and executive officer responsibility changes.

### **3. Incentive Compensation Programs and Benefit Plans**

- a. The Committee shall oversee and periodically review the operation of the Company's incentive compensation programs and benefit plans, including but not limited to the Company's Section 401K plan, stock option plans, bonus and profit sharing programs, deferred compensation program, and insurance programs.
- b. The Committee shall have all rights and authority granted to the Committee, and shall carry out all responsibilities and functions assigned to the Committee, by the documents governing the various incentive compensation programs and benefit plans.
- c. The Committee shall have the exclusive authority to make and approve stock option grants and other equity awards to persons who are Board members or executive officers.
- d. Company personnel will be responsible for the routine day-to-day administration of incentive compensation programs and benefit plans, including preparation and filing of all government reports and preparation of materials for employees.

### **4. Non-Employee Directors**

The Committee shall from time to time review and make recommendations to the Board with respect to compensation for the non-employee members of the Board.

### **5. General**

- a. The Committee will annually review and reassess the adequacy of the Committee's Charter.
- b. The Committee will perform any other activities required by applicable law, rules or regulations, including the rules of the SEC and any stock exchange or market on which the Company's securities may be listed from time to time, and perform such other activities that are consistent with this Charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate.

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