

SYNAPTICS INC

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 4, 2011**

Synaptics Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

000-49602

(Commission File Number)

77-0118518

(IRS Employer Identification No.)

3120 Scott Blvd.

Santa Clara, California

(Address of Principal Executive Offices)

95054

(Zip Code)

Registrant's telephone number, including area code: **(408) 454-5100**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors and Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Item 8.01. Other Events.

Change of Control Severance Agreement

As previously announced, we appointed Richard A. (“Rick”) Bergman as President, Chief Executive Officer, and a director on September 28, 2011. On October 4, 2011, we entered into a Change of Control Severance Agreement with Mr. Bergman. The agreement, which has a three-year term, becomes effective upon a change of control of our company as defined in the agreement. Under the agreement, Mr. Bergman has agreed to refrain from competing with our company during the term of the change of control period as defined in the agreement and while any severance payments are being made. The agreement provides for the payment by our company in the event of a change of control for 18 months after termination of employment by our company without Good Cause or by Mr. Bergman with Good Reason, each as defined in the agreement, of compensation equal to 150% of Mr. Bergman’s base salary and targeted bonus for the fiscal year in which such termination occurs. In the case of such termination, the agreement also provides for the continuation of insurance coverage for Mr. Bergman and his family for 18 months. The agreement provides that in the event of a change of control, all unvested options and deferred stock units vest immediately if Mr. Bergman is terminated by our company without Good Cause or by Mr. Bergman with Good Reason. All vested options, including those vesting under the terms of the agreement, will be exercisable for 90 days after the termination of Mr. Bergman’s employment by our company without Good Cause or by Mr. Bergman with Good Reason in the event of a change of control, but not beyond their original term.

The foregoing is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants, and agreements contained in Mr. Bergman's Change of Control Severance Agreement, and is subject to and qualified in its entirety by reference to the full text of the Change of Control Severance Agreement, which is attached hereto as Exhibit 10.28 and is hereby incorporated by reference into this Item 5.02.

Adoption of Severance Policy for Principal Executive Officers

On October 4, 2011, our Board of Directors adopted an amended Severance Policy for Principal Executive Officers designated by our Board of Directors and who have completed at least one full year of employment with our company. Under the policy, we will pay 100% of base salary and targeted bonus in the case of our Chief Executive Officer and 50% of base salary and targeted bonus in the case of our other designated executive officers and pay the COBRA premium for coverage under our medical plan for the executive and the executive's dependents following a termination of employment by us without Good Cause or by the executive officer for Good Reason, each as defined in the Severance Policy for Principal Executive Officers, for one year in the case of our Chief Executive Officer and six months in the case of our other designated executive officers. All unvested stock options and deferred stock units held by our Chief Executive Officer or our other designated executive officers will cease to vest on such executive officer's date of employment termination, and such executive officer's stock options and deferred stock units will be exercisable for 90 days after such executive officer's date of employment termination, but not beyond their original term. The Severance Policy for Principal Executive Officers will terminate upon a change of control of our company as defined in the Severance Policy for Principal Executive Officers. Mr. Bergman is currently the only executive officer covered by the amended Severance Policy for Principal Executive Officers, as our Board of Directors has waived the one-year minimum employment period under the policy. Russ Knittel, our outgoing Interim President and Chief Executive Officer, was the only executive officer subject to the Company's prior Severance Policy for Principal Executive Officers. However, it is not anticipated that Mr. Knittel will receive any benefits under that policy pursuant to his previously announced retirement.

The foregoing is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants, and agreements contained in the Severance Policy for Principal Executive Officers, and is subject to and qualified in its entirety by reference to the full text of the Severance Policy for Principal Executive Officers, which is attached hereto as Exhibit 10.29 and is hereby incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired .*

Not applicable.

(b) *Pro Forma Financial Information .*

Not applicable.

(c) *Shell Company Transactions .*

Not applicable.

(d) *Exhibits .*

<u>Exhibit Number</u>	<u>Exhibits</u>
10.28	Change of Control Severance Agreement entered into by Richard A. Bergman as of October 4, 2011
10.29	Severance Policy for Principal Executive Officers

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 hereunto duly authorized.

SYNAPTICS INCORPORATED

Date: October 6, 2011

By: /s/ Kathleen A. Bayless

Kathleen A. Bayless

Senior Vice President, Chief Financial Officer, Secretary,
and Treasurer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.28	Change of Control Severance Agreement entered into by Richard A. Bergman as of October 4, 2011
10.29	Severance Policy for Principal Executive Officers

CHANGE OF CONTROL SEVERANCE AGREEMENT

CHANGE OF CONTROL SEVERANCE AGREEMENT (this “Agreement”), by and between **SYNAPTICS INCORPORATED**, a Delaware corporation (the “Company”), and Richard Bergman (“Executive”) is entered into as of the 4th day of October, 2011.

RECITALS

A. The Company is engaged primarily in the business of the development and supply of custom-designed user interface solutions that enable people to interact more easily and intuitively with a wide variety of mobile computing and communications devices (collectively, the “Business”).

B. Executive is the Chief Executive Officer (the “CEO”) of the Company or an executive officer of the Company who has been designated by the Board of Directors or the Compensation Committee of the Board of Directors to become a party to this Agreement (a “Designated Officer”).

C. The Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of Executive despite the possibility, threat, or occurrence of a Change of Control (as defined below) of the Company.

D. The Board believes it is imperative to diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control, to encourage Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide Executive with compensation arrangements upon a Change of Control that afford Executive with a requisite amount of individual financial security and are competitive with those of other corporations. In order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, and conditions set forth herein and the performance of each, it is hereby agreed as follows:

1. Definitions.

(a) Change of Control . For the purpose of this Agreement, a “Change of Control” shall mean any of the following:

(i) Change of Control . A change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended, or if Item 6(e) is no longer in effect, any regulations issued by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, which serve similar purposes;

(ii) Turnover of Board . The following individuals no longer constitute a majority of the members of the Board: (A) the individuals who, as of the date of this Agreement constitute the Board (the “Current Directors”); (B) the individuals who thereafter are elected to the Board and whose election, or nomination for election, to the Board was approved by a vote of all of the Current Directors then still in office (such directors becoming “Additional Directors” immediately following their election); and (C) the individuals who are elected to the Board and whose election, or nomination for election, to the Board was approved by a vote of all of the Current Directors and Additional Directors then still in office (such directors also becoming “Additional Directors” immediately following their election);

(iii) Tender Offer . A tender offer or exchange offer is made whereby the effect of such offer is to take over and control the Company, and such offer is consummated for the equity securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company’s then outstanding voting securities;

(iv) Merger or Consolidation . The stockholders of the Company shall approve a merger, consolidation, recapitalization, or reorganization of the Company, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least seventy-five percent (75%) of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being beneficially owned by the holders of outstanding voting securities of the Company immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction;

(v) Liquidation or Sale of Assets . The stockholders of the Company shall approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or a substantial portion of the Company’s assets to another person, which is not a wholly owned subsidiary of the Company (i.e., fifty percent (50%) or more of the total assets of the Company); or

(vi) Stockholdings . Any “person” (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under that act), directly or indirectly of more than twenty percent (20%) of the total voting power represented by the Company’s then outstanding voting Securities.

(b) Change of Control Period . The “Change of Control Period” shall mean the period commencing on the Effective Date and ending on the eighteen (18) month anniversary of the Effective Date.

(c) Effective Date . The “Effective Date” shall be the closing date of the transaction on which a Change of Control occurs.

(d) Good Cause . “Good Cause,” as it applies to the determination of the Company to terminate the employment of an Executive, shall mean any one or more of the following: (i) Executive’s willful, material, and irreparable breach of this Agreement; (ii) Executive’s gross negligence in the performance or intentional nonperformance (continuing for thirty (30) days after receipt of written notice of need to cure) of any of Executive’s material duties and responsibilities hereunder; (iii) Executive’s willful dishonesty, fraud, or misconduct with respect to the business or affairs of the Company, which materially and adversely affects the operations or reputation of the Company; (iv) Executive’s indictment for, conviction of, or guilty plea to a felony crime involving dishonesty or moral turpitude whether or not relating to the Company; or (v) a confirmed positive illegal drug test result.

(e) Good Reason . “Good Reason,” as it applies to the determination by an Executive to terminate his or her employment with the Company, shall mean the occurrence of any of the following events without Executive’s prior written approval: (i) Executive is demoted by means of a material reduction in authority, responsibilities, or duties; (ii) Executive’s annual base salary for a fiscal year (“Base Salary”) is reduced to a level that is less than 90% of the Base Salary paid to Executive during the prior fiscal year or Executive’s Targeted Bonus is reduced to a level that is less than 90% of the Targeted Bonus for Executive during the prior fiscal year; (iii) Executive is required to render his or her principal duties from a Company location that is more than fifty (50) miles from a Company location from which Executive performs his or her principal duties at the time Executive entered into this Agreement other than as has been previously contemplated by the Company and Executive; or (iv) the Company breaches a material provision of this Agreement.

(f) Insurance Coverage . “Insurance Coverage” shall mean, for Executive and/or Executive’s family who are qualified to participate, as the case may be, all benefits under welfare benefit plans, practices, policies, and programs provided by the Company and its subsidiaries (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death, and travel accident insurance plans and programs), at least as favorable as the most favorable of such plans, practices, policies, and programs in effect at any time during the one hundred eighty (180) day period immediately preceding the Effective Date or, if more favorable to Executive and/or Executive’s family, as in effect at any time thereafter with respect to other key executives.

(g) Targeted Bonus . “Targeted Bonus” shall mean, for each fiscal year of the Company, either (i) a bonus program in which Executive shall be entitled to participate, which provides Executive with a reasonable opportunity, based on the past compensation practices of the Company and Executive’s then base salary, to maintain or increase Executive’s total compensation compared to the previous fiscal year or (ii) a targeted bonus based on such factors as the Board may determine.

2. Non-Competition Agreement.

(a) Non-Competition . Notwithstanding the provisions of California law, including, without limitation, Bus. & Prof. Code Secs. 16600 et seq. and 17200 et seq., the parties agree that, during the Change of Control Period, and for a period for which severance payments are being made by the Company to Executive in accordance with this Agreement, Executive shall not, directly or indirectly, for himself or on behalf of or in conjunction with any other Person:

(i) Other Activities . Engage, as an officer, director, shareholder, owner, principal, partner, lender, joint venturer, employee, independent contractor, consultant, advisor, or sales representative, in any Competitive Business within the Restricted Territory, provided that the ownership of less than three percent (3%) of a company shall not be deemed a violation of this provision;

(ii) Solicitation of Employees . Call upon any person who is, at that time, within the Restricted Territory, an employee of the Company or any of its subsidiaries, in a managerial or supervisory capacity for the purpose or with the intent of enticing such employee away from or out of the employ of the Company or any of its subsidiaries;

(iii) Solicitation of Customers . Call upon any Person who is, at that time, or who has been, within one (1) year prior to that time, a customer of the Company or any of its subsidiaries, within the Restricted Territory for the purpose of soliciting or selling products or services in direct competition with the Company or any of its subsidiaries within the Restricted Territory; or

(iv) Solicitation of Acquisition Candidates . Call upon any prospective acquisition candidate, on Executive's own behalf or on behalf of any Person, which candidate was, to Executive's knowledge after due inquiry, either called upon by the Company, or for which the Company made an acquisition analysis, for the purpose of acquiring such candidate.

(b) Certain Definitions . As used in this Agreement, the following terms shall have the meanings ascribed to them:

(i) Competitive Business shall mean any Person that engages in a business the same as, similar to, or in direct competition with the Business;

(ii) Person shall mean any individual, corporation, limited liability company, partnership, firm, or other business of whatever nature;

(iii) Restricted Territory shall mean any jurisdiction in which the Company or any subsidiary of the Company maintains any facilities, sells any products, or provides any services; and

(iv) Subsidiary shall mean the Company's consolidated subsidiaries, including corporations, partnerships, limited liability companies, and any other business organization in which the Company holds at least a fifty percent (50%) equity interest.

(c) Enforcement . Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants in this paragraph 2, and because of the immediate and irreparable damage that could be caused to the Company for which it would have no other adequate remedy, Executive agrees that the foregoing covenants may be enforced by the Company in the event of breach by Executive, by injunctions and restraining orders.

(d) Reasonable Restraint . In agreeing to the period of non-competition as set forth herein, Executive acknowledges that he has had the opportunity to speak with counsel of his choice in connection with the force and effect of this waiver, and that he is aware that he is waiving rights under California law to contest the imposition of a non-competition agreement. In agreeing to be bound hereby, Executive is accepting the consideration extended to him in exchange for a knowing waiver of his rights, and as full and complete consideration for this waiver, and acknowledges the adequacy of such consideration. Both parties agree that Executive's agreement to this term constitutes a substantial and material term to the Company, without which the Company would not enter into this Agreement or extend this offer of employment to Executive. Executive agrees that the Company may seek and secure an injunction against Executive in order to enforce the terms hereof in the event that Executive breaches this provision. Executive acknowledges that the scope of the non-competition clause is reasonable in scope and will not preclude him from seeking gainful employment in alternative fields. To the extent that any court of competent jurisdiction determines that the non-competition provisions are unreasonable, it is the intent of the parties to enforce the terms hereof to the full extent held reasonable.

(e) Separate Covenants . The covenants in this paragraph 2 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time, or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent that the court deems reasonable, and this Agreement shall thereby be reformed.

(f) Independent Agreement . Except as otherwise provided herein, all of the covenants in this paragraph 2 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants. It is specifically agreed that the period following termination of employment stated at the beginning of this paragraph 2, during which the agreements and covenants of Executive made in this paragraph 2 shall be effective, shall be computed by excluding from such computation any time during which Executive is in violation of any provision of this paragraph 2.

3. Term; Termination; Rights on Termination .

(a) Term . The term of this Agreement shall be for a period commencing on the date hereof and continuing until third anniversary of the date hereof.

(b) Termination . Executive's employment under this Agreement may be terminated in any one of the followings ways:

(i) Death of Executive . The employment of Executive shall terminate during the Change of Control Period immediately upon Executive's death. In the event Executive's employment is terminated as a result of Executive's death, Executive shall have no right under this Agreement to any severance compensation.

(ii) Disability of Executive . If, during the Change of Control Period, as a result of incapacity due to physical or mental illness or injury, Executive shall have been absent from Executive's full-time duties hereunder for six (6) consecutive months, then thirty (30) days after giving written notice to Executive (which notice may occur before or after the end of such six (6) month period, but which shall not be effective earlier than the last day of such six (6) month period), the Company may terminate Executive's employment provided Executive is unable to resume Executive's full-time duties at the conclusion of such notice period. Also, Executive may terminate Executive's employment if Executive's health should become impaired to an extent that makes the continued performance of Executive's duties hereunder hazardous to Executive's physical or mental health or Executive's life, provided that Executive shall have furnished the Company with a written statement from a qualified doctor to such effect and provided, further, that, at the Company's request made within ten (10) days of the date of such written statement, Executive shall submit to an examination by a doctor selected by the Company who is reasonably acceptable to Executive or Executive's doctor and such doctor shall have concurred in the conclusion of Executive's doctor. In the event Executive's employment is terminated as a result of Executive's disability, Executive shall have no right under this Agreement to any severance compensation.

(iii) Termination by the Company for Good Cause . The Company may terminate Executive's employment during the Change of Control Period upon ten (10) days prior written notice to Executive for Good Cause. In the event of a termination by the Company for Good Cause, Executive shall have no right under this Agreement to any severance compensation.

(iv) Termination by the Company Without Good Cause or by Executive with Good Reason. The Company may terminate Executive's employment without Good Cause during the Change of Control Period upon the approval of a majority of the members of the Board, excluding Executive if Executive is a member of the Board. Executive may terminate Executive's employment with Good Reason during the Change of Control Period upon ten (10) days prior written notice to the Company. For purposes of this paragraph 3(b)(iv), any good faith determination of "Good Reason" made by Executive shall be conclusive. Should the Company terminate Executive's employment without Good Cause during the Change of Control Period or should Executive terminate Executive's employment with Good Reason during the Change of Control Period, the Company shall, for a period of eighteen (18) months after termination in the case of the CEO and twelve (12) months after termination in the case of any other Designated Officer, pay to Executive on each regular payroll date as in effect on termination a pro-rata amount equal to the sum of (A) one hundred fifty percent (150%) of Executive's Base Salary in the case of the CEO and one hundred percent (100%) of Executive's Base Salary in the case of any other Designated Officer and (B) one hundred fifty percent (150%) of Executive's Targeted Bonus in the case of the CEO and one hundred percent (100%) of Executive's Targeted Bonus in the case of any other Designated Officer, in each case for the fiscal year during which termination occurs. The foregoing amounts shall be paid as follows: (x) to the extent the payments are not "deferred compensation" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), then such payments shall commence upon the first regular payroll date following termination; and (y) to the extent the payments are "deferred compensation" for purposes of Section 409A of the Code, then such payments shall commence upon the 60th

day following the date termination. For purposes of the preceding clause (y), the first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced after the date of termination, and any payments to be made thereafter shall continue as provided herein, and the delayed payments shall in any event expire at the time such payments would have expired had such payments commenced immediately following the date of termination. Further, if during the Change of Control Period the Company terminates Executive's employment without Good Cause or Executive terminates Executive's employment with Good Reason, (1) the Company shall, for a period of eighteen (18) months after termination in the case of the CEO and twelve (12) months after termination in the case of any other Designated Officer, continue the Insurance Coverage if and to the extent required by COBRA by way of making the family medical insurance premium payments contemplated by COBRA; (2) the Company shall, for a period of eighteen (18) months after termination in the case of the CEO and twelve (12) months after termination in the case of any other Designated Officer, maintain life insurance coverage comparable to that provided immediately prior to termination, if any, with the beneficiary designated by Executive; and (3) Executive shall be entitled to receive all other accrued but unpaid benefits relating to vacations, Insurance Coverage, and other executive perquisites through Executive's last day of employment.

(v) Resignation by Executive Without Good Reason . Executive may without cause and without Good Reason terminate Executive's own employment during the Change of Control Period, effective thirty (30) days after written notice is provided to the Company or such earlier time as any such resignation may be accepted by the Company. If Executive resigns or otherwise terminates Executive's employment without Good Reason, Executive shall receive no severance compensation under this Agreement.

(vi) Effect on Stock Options and Deferred Stock Units. In the event Executive is terminated (A) during the Change of Control Period and (B) by the Company without Good Cause or by Executive with Good Reason, all unvested stock options and deferred stock units held by Executive shall vest as of the day immediately preceding any such termination of Executive's employment, provided that any options or deferred stock units granted prior to the date hereof that included specific provisions regarding accelerated vesting shall be unchanged. In addition, any vested stock options (including those vested as a result of this paragraph 3(b)(vi)) held by Executive shall be exercisable for ninety (90) days after the termination of Executive's employment, but not beyond their original term.

(c) Payments to Termination Date . Upon termination of Executive's employment under this Agreement for any reason provided above, Executive shall be entitled to receive all compensation earned and all benefits and reimbursements due through the effective date of termination. Additional compensation subsequent to termination, if any, will be due and payable to Executive only to the extent and in the manner expressly provided above. All other rights and obligations of the Company and Executive under this Agreement shall cease as of the effective date of termination, except that the Company's obligations under paragraph 8 (relating to indemnification of Executive) and Executive's obligations under paragraph 2 (relating to non-competition and non-solicitation, as applicable), paragraph 5 (relating to return of Company property), paragraph 6 (relating to inventions), paragraph 7 (relating to trade secrets), and paragraph 9 (relating to prior agreements) shall survive such termination in accordance with their terms.

(d) Failure to Pay Executive . If termination of Executive's employment arises out of the Company's failure to pay Executive on a timely basis the amounts to which Executive is entitled under this Agreement or as a result of any other breach of this Agreement by the Company, as determined by a court of competent jurisdiction or pursuant to the provisions of paragraph 16, the Company shall pay all amounts and damages to which Executive may be entitled as a result of such breach, including interest thereon and all reasonable legal fees and expenses and other costs incurred by Executive to enforce Executive's rights hereunder. Further, none of the provisions of paragraph 2 (relating to non-competition) shall apply in the event Executive's employment under this Agreement is terminated as a result of a breach by the Company.

4. Certain Reduction of Payments by the Company.

(a) Potential Section 280G Reductions . Notwithstanding anything in this Agreement to the contrary, in the event that it shall be determined that any payment, distribution, or other action by the Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment")) would result in an "excess parachute payment" within the meaning of Section 280G(b)(i) of the Code, and the value determined in accordance with Section 280G (d)(4) of the Code of the Payments, net of all taxes imposed on Executive (the "Net After-Tax Amount"), that Executive would receive would be increased if the Payments were reduced, then the Payments shall be reduced by an amount (the "Reduction Amount") so that the Net After-Tax Amount after such reduction is greatest. For purposes of determining the Net After-Tax Amount, Executive shall be deemed to (i) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Payment is to be made, and (ii) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(b) Determinations . Subject to the provisions of this paragraph 4(b), all determinations required to be made under this paragraph 4, including the Net After-Tax Amount, the Reduction Amount, and the Payment that is to be reduced pursuant to paragraph 4(a), and the assumptions to be utilized in arriving at such determinations, shall be made by the Company's independent registered public accounting firm (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. The Accounting Firm's decision as to which Payments are to be reduced shall be made (i) only from Payments that the Accounting Firm determines reasonably may be characterized as "parachute payments" under Section 280G of the Code; (ii) first, only from Payments that are required to be made in cash; (iii) only with respect to any amounts that are not payable pursuant to a "nonqualified deferred compensation plan" subject to Section 409A of the Code, until those payments have been reduced to zero; and (iv) in reverse chronological order, to the extent that any Payments subject to reduction are made over time (e.g., in installments). In no event, however, shall any Payments be reduced if and to the extent such reduction would cause a violation of Section 409A of the Code or other applicable law. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

5. Return of Company Property . All records, designs, patents, business plans, financial statements, manuals, memoranda, lists, and other property delivered to or compiled by Executive by or on behalf of the Company (or its subsidiaries) or its representatives, vendors, or customers that pertain to the business of the Company (or its subsidiaries) shall be and remain the property of the Company and be subject at all times to its discretion and control. Likewise, all correspondence, reports, records, charts, advertising materials, and other similar data pertaining to the business, activities, or future plans of the Company (or its subsidiaries) that is collected by Executive shall be delivered promptly to the Company without request by it upon termination of Executive's employment.

6. Inventions . Executive shall disclose promptly to the Company any and all significant conceptions and ideas for inventions, improvements, and valuable discoveries, whether patentable or not, which are conceived or made by Executive, solely or jointly with another, during the period of employment, and which are directly related to the business or activities of the Company (or its subsidiaries), and which Executive conceives as a result of Executive's employment by the Company. Executive hereby assigns and agrees to assign all Executive's interests therein to the Company or its nominee. Whenever requested to do so by the Company, Executive shall execute any and all applications, assignments, and other instruments that the Company shall deem necessary to apply for and obtain Letters Patent of the United States or any foreign country or to otherwise protect the Company's interest therein.

7. Trade Secrets . Executive agrees that Executive will not, during or after the period of employment under this Agreement, disclose the specific terms of the Company's relationships or agreements with its respective significant vendors or customers, or any other significant and material trade secret of the Company, whether in existence or proposed, to any person, firm, partnership, corporation, or business for any reason or purpose whatsoever.

8. Indemnification . In the event Executive is made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Company against Executive), by reason of the fact that Executive is or was performing services under this Agreement, then the Company shall indemnify Executive against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement, as actually and reasonably incurred by Executive in connection therewith to the maximum extent permitted by applicable law. The advancement of expenses shall be mandatory. In the event that both Executive and the Company are made a party to the same third-party action, complaint, suit, or proceeding, the Company agrees to engage competent legal representation, and Executive agrees to use the same representation, provided that if counsel selected by the Company shall have a conflict of interest that prevents such counsel from representing Executive, Executive may engage separate counsel and the Company shall pay all attorneys' fees of such separate counsel. Further, while Executive is expected at all times to use Executive's best efforts to faithfully discharge Executive's duties under this Agreement, Executive cannot be held liable to the Company for errors or omissions made in good faith if Executive has not exhibited gross, willful, and wanton negligence and misconduct or performed criminal and fraudulent acts that materially damage the business of the Company. Notwithstanding this paragraph 8, the provision of any written indemnification agreement applicable to the directors and officers of the Company to which Executive shall be a party shall apply rather than this paragraph 8 to the extent inconsistent with this paragraph 8. Without limiting the foregoing, the Company shall continue to maintain coverage for Executive under any directors' and officers' liability insurance policies for a period of six (6) years following any termination of Executive's employment by the Company without Good Cause or by Executive with Good Reason.

9. No Prior Agreements . Executive hereby represents and warrants to the Company that the execution of this Agreement by Executive and Executive's employment by the Company and the performance of Executive's duties hereunder will not violate or be a breach of any agreement with a former employer, client, or any other person or entity. Further, Executive agrees to indemnify the Company for any claim, including, but not limited to, attorneys' fees and expenses of investigation, by any such third party that such third party may now have or may hereafter come to have against the Company based upon or arising out of any non-competition, invention, or secrecy agreement between Executive and such third party that was in existence as of the date of this Agreement.

10. Specified Employee. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" as defined in Section 409A of the Code, Executive shall not be entitled to any payments or benefits the right to which provides for a "deferral of compensation" within the meaning of Section 409A of the Code, and whose payment or provision is triggered by Executive's termination of employment (whether such payments or benefits are provided to Executive under this Agreement or under any other plan, program or arrangement of the Company), until (and any payments or benefits suspended hereby shall be paid in a lump sum on) the earlier of (i) the date which is the first business day following the six (6) month anniversary of Executive's "separation from service" (within the meaning of Section 409A of the Code) for any reason other than death or (ii) Executive's date of death, and such payments or benefits that, if not for the six (6) month delay described herein, would be due and payable prior to such date shall be made or provided to Executive on such date. The Company shall make the determination as to whether Executive is a "specified employee" in good faith in accordance with its general procedures adopted in accordance with Section 409A of the Code and, at the time of Executive's "separation of service" will notify Executive whether or not he is a "specified employee."

11. Savings Clause . This Agreement is intended to satisfy the requirements of Section 409A of the Code with respect to amounts subject thereto, and shall be interpreted and construed consistent with such intent; provided that, notwithstanding the other provisions of this paragraph 11 and the paragraph above entitled, "Specified Employee", with respect to any right to a payment or benefit hereunder (or portion thereof) that does not otherwise provide for a "deferral of compensation" within the meaning of Section 409A of the Code, it is the intent of the parties that such payment or benefit will not so provide. Any payments due under this Agreement on account of termination of employment shall be paid only if the termination of employment constitutes a "separation from service" within the meaning of Section 409A of the Code. No reimbursement payable to Executive pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, and no such reimbursement during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, except, in each case, to the extent that the right to reimbursement does

not provide for a “deferral of compensation” within the meaning of Section 409A of the Code. Any right to installment payments under this Agreement shall be treated as a right to a series of separate payments for purposes of Section 409A of the Code. Furthermore, if either party notifies the other in writing that, based on the advice of legal counsel, one or more of the provisions of this Agreement contravenes any regulations or Treasury guidance promulgated under Section 409A of the Code or causes any amounts to be subject to interest or penalties under Section 409A of the Code, the parties shall promptly and reasonably consult with each other (and with their legal counsel), and shall use their reasonable best efforts, to reform the provisions hereof to (a) maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Section 409A of the Code or increasing the costs to the Company of providing the applicable benefit or payment and (b) to the extent practicable, to avoid the imposition of any tax, interest or other penalties under Section 409A of the Code upon Executive or the Company.

12. Assignment; Binding Effect . Executive understands that Executive is being employed by the Company on the basis of Executive’s personal qualifications, experience, and skills. Executive agrees, therefore, Executive cannot assign all or any portion of Executive’s performance under this Agreement. Subject to the preceding two (2) sentences and the express provisions of paragraph 13 below, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

13. Complete Agreement . This Agreement is not a promise of future employment. Except as specifically provided herein, Executive has no oral representations, understandings, or agreements with the Company or any of its officers, directors, or representatives covering the same subject matter as this Agreement. This written Agreement is the final, complete, and exclusive statement and expression of the agreement between the Company and Executive and of all the terms of this Agreement, and it cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreements. This written Agreement may not be later modified except by a further writing signed by a duly authorized officer of the Company and Executive, and no term of this Agreement may be waived except by writing signed by the party waiving the benefit of such term. This Agreement hereby supersedes any other employment agreements or understandings, written or oral, between the Company and Executive.

14. Notice . Whenever any notice is required hereunder, it shall be given in writing addressed as follows:

To the Company:	3120 Scott Boulevard Santa Clara, California 95054 Attention: Corporate Secretary
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To Executive:	3120 Scott Boulevard Santa Clara, California 95054
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In either case with a copy to:

Greenberg Traurig, LLP
2375 East Camelback Road
Suite 700
Phoenix, Arizona 85016
Attention: Robert S. Kant, Esq.

Notice shall be deemed given and effective on the earlier of three (3) days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received. Either party may change the address for notice by notifying the other party of such change in accordance with this paragraph 14.

15. Severability; Headings . If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The paragraph headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement or of any part hereof.

16. Mediation Arbitration . All disputes arising out of this Agreement shall be resolved as set forth in this paragraph 16. If any party hereto desires to make any claim arising out of this Agreement (“Claimant”), then such party shall first deliver to the other party (“Respondent”) written notice (“Claim Notice”) of Claimant’s intent to make such claim explaining Claimant’s reasons for such claim in sufficient detail for Respondent to respond. Respondent shall have ten (10) business days from the date the Claim Notice was given to Respondent to object in writing to the claim (“Notice of Objection”), or otherwise cure any breach hereof alleged in the Claim Notice. Any Notice of Objection shall specify with particularity the reasons for such objection. Following receipt of the Notice of Objection, if any, Claimant and Respondent shall immediately seek to resolve by good faith negotiations the dispute alleged in the Claim Notice, and may at the request of either party, utilize the services of an independent mediator. If Claimant and Respondent are unable to resolve the dispute in writing within ten (10) business days from the date negotiations began, then without the necessity of further agreement of Claimant or Respondent, the dispute set forth in the Claim Notice shall be submitted to binding arbitration (except for claims arising out of paragraph 6 hereof), initiated by either Claimant or Respondent pursuant to this paragraph 16. Such arbitration shall be conducted before a panel of three (3) arbitrators in San Jose, California, in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (“AAA”) then in effect provided that the parties may agree to use arbitrators other than those provided by the AAA. The arbitrators shall not have the authority to add to, detract from, or modify any provision hereof. The arbitrators shall have the authority to order all remedies otherwise available in a civil court, including, without limitation, back-pay, severance compensation, vesting of options (or cash compensation in lieu of vesting of options), reimbursement of costs, including those incurred to enforce this Agreement, and interest thereon in the event the arbitrators determine that Executive was terminated without Good Cause, as defined herein, or that the Company has otherwise materially breached this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The arbitration shall be conducted consistent with all applicable law, and the arbitration award shall be in writing, in a form capable of review if required by applicable law. Judgment may be entered on the arbitrators’ award in any court having jurisdiction. The direct expense of any mediation or arbitration proceeding and, to the extent Executive prevails, all reasonable legal fees shall be borne by the Company.

17. No Participation in Severance Plans . Except as contemplated by this Agreement or any other agreement or policy specifically made applicable to Executive, Executive acknowledges and agrees that the compensation and other benefits set forth in this Agreement are and shall be in lieu of any compensation or other benefits that may otherwise be payable to or on behalf of Executive arising from a Change of Control during the Change of Control Period pursuant to the terms of any severance pay arrangement of the Company or any affiliate thereof, or any other similar arrangement of the Company or any affiliates thereof providing for benefits upon termination of employment.

18. Governing Law . This Agreement shall in all respects be construed according to the laws of the state of California, notwithstanding the conflict of laws provisions of such state.

19. Counterparts; Facsimile . This Agreement may be executed by facsimile and in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

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SYNAPTICS INCORPORATED (the “Company”)

SEVERANCE POLICY FOR PRINCIPAL EXECUTIVE OFFICERS

Dated October 4, 2011

1. **Purpose** . The purpose of this Severance Policy is to provide a fair framework in the event of the termination of employment of one or more key executive officers (each an “Executive”) of the Company.

2. **Covered Principal Executive Officers** . This Severance Policy shall be applicable to each executive officer to the extent such Executive has been designated and notified in writing by the Company upon nomination by the Chief Executive Officer (the “CEO”) and approval of the Board of Directors or the Compensation Committee of the Board of Directors (a “Covered Executive”).

3. **Definitions** .

(a) **Change of Control** . For the purpose of this Severance Policy, a “Change of Control” shall mean any of the following:

(i) **Change of Control** . A change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended, or if Item 6(e) is no longer in effect, any regulations issued by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, which serve similar purposes;

(ii) **Turnover of Board of Directors** . The following individuals no longer constitute a majority of the members of the Board of Directors: (A) the individuals who, as of the date of this Severance Policy constitute the Board of Directors (the “Current Directors”); (B) the individuals who thereafter are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of all of the Current Directors then still in office (such directors becoming “Additional Directors” immediately following their election); and (C) the individuals who are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of all of the Current Directors and Additional Directors then still in office (such directors also becoming “Additional Directors” immediately following their election);

(iii) **Tender Offer** . A tender offer or exchange offer is made whereby the effect of such offer is to take over and control the Company, and such offer is consummated for the equity securities of the Company representing 20% or more of the combined voting power of the Company’s then outstanding voting securities;

(iv) **Merger or Consolidation** . The stockholders of the Company shall approve a merger, consolidation, recapitalization, or reorganization of the Company, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 75% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being beneficially owned by the holders of outstanding voting securities of the Company immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction;

(v) **Liquidation or Sale of Assets** . The stockholders of the Company shall approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or a substantial portion of the Company's assets to another person, which is not a wholly owned subsidiary of the Company (i.e., 50% or more of the total assets of the Company); or

(vi) **Stockholdings** . Any "person" (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under that act), directly or indirectly of more than 20% of the total voting power represented by the Company's then outstanding voting securities.

(b) **Effective Date** . The "Effective Date" shall be the closing date of the transaction on which a Change of Control occurs.

(c) **Good Cause** . "Good Cause," as it applies to the determination of the Company to terminate the employment of a Covered Executive, shall mean any one or more of the following: (i) Executive's willful, material, and irreparable breach of his or her duties to the Company; (ii) Executive's gross negligence in the performance or intentional nonperformance (continuing for 30 days after receipt of written notice of need to cure) of any of Executive's material duties and responsibilities; (iii) Executive's willful dishonesty, fraud, or misconduct with respect to the business or affairs of the Company, which materially and adversely affects the operations or reputation of the Company; (iv) Executive's indictment for, conviction of, or guilty plea to a felony crime involving dishonesty or moral turpitude whether or not relating to the Company; or (v) a confirmed positive illegal drug test result.

(d) **Good Reason** . "Good Reason," as it applies to the determination by a Covered Executive to terminate his or her employment shall mean the occurrence of any of the following events without Executive's prior written approval: (i) Executive is demoted by means of a material reduction in authority, responsibilities, or duties or Executive is required to render his or her primary employment services from a Company location that is more than 50 miles from a Company location from which Executive provides employment services to the Company at the time Executive becomes a Covered Executive other than as has been previously contemplated by the Company and Executive; (ii) Executive's annual base salary for a fiscal year is reduced to a level that is less than 90% of the base salary paid to Executive during the prior fiscal year; or (iii) a change is made in Executive's bonus (including a reduction in any Targeted Bonus) to a level that is less than 90% of the Targeted Bonus for Executive during the prior fiscal year.

(e) **Employment Termination** . "Employment Termination" shall mean a Covered Executive no longer being an employee of the Company as a result of a termination with Good Reason or without Good Cause.

4. **Result of Termination by the Company without Good Cause or by Executive with Good Reason** . The following provisions shall apply should the Company terminate a Covered Executive's employment without Good Cause or should a Covered Executive terminate Executive's employment with Good Reason:

(a) **Salary and Bonus** . The Company shall pay to Executive for one year following the Employment Termination in the case of the CEO and six months following the Employment Termination in the case of any other Covered Executive, a monthly amount equal to one-twelfth (1/12) of the sum of (i) 100% of Executive's base salary in the case of the CEO and 50% of Executive's base salary in the case of any other Covered Executive, and (ii) 100% of Executive's Targeted Bonus in the case of the CEO and 50% of Executive's Targeted Bonus in the case of any other Covered Executive, in each case, during which such termination occurs, for each month in the applicable continuation period.

(b) **Welfare Benefit Plans** . The Company will continue, for one year following the Employment Termination in the case of the CEO and for six months following Employment Termination in the case of each other Covered Executive, coverage for Executive and Executive's dependent family members under the Company's medical plan for the applicable continuation period described in this sentence by paying the COBRA premium for such coverage, but such coverage shall not extend beyond the period during which Executive and his dependents are eligible for COBRA.

(c) **Stock Options and RSUs** . All unvested options and RSUs held by Executive as of Employment Termination shall cease to vest on the date of Employment Termination. Vested options and RSUs will be exercisable for 90 days after the date of Employment Termination, but not beyond their original term.

(d) **Accrued Benefits** . Executive shall be entitled to receive all other accrued but unpaid benefits relating to vacations and other executive perquisites through the date of Employment Termination, except that Executive shall not continue to accrue vacation benefits or other executive perquisites after the date of Employment Termination.

5. **Minimum Employment Term** . This Severance Policy shall not be applicable to any executive officer until that executive officer has completed a minimum of one full year employment with the Company.

6. **Release of Claims** . The Company's obligations under Section 4 are contingent upon a Covered Executive's executing (and not revoking during any applicable revocation period) a valid, enforceable, full and unconditional release of all claims Executive may have against the Company (whether known or unknown) as of the date of Employment Termination in such form as provided by the Company no later than 60 days after the date of Employment Termination. If the foregoing release is executed and delivered and no longer subject to revocation within 60 days after the date of Employment Termination, then the following shall apply:

(a) To the extent any payments due to Executive under Section 4 are not "deferred compensation" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, then such payments shall commence upon the first scheduled payment date immediately after the date the release is executed and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Severance Policy had such payments commenced after the date of Employment Termination, and any payments to be made thereafter shall continue as provided herein. The delayed payments shall in any event expire at the time such payments would have expired had such payments commenced after the date of Employment Termination.

(b) To the extent any payments due to Executive under Section 4 above are "deferred compensation" for purposes of Section 409A, then such payments shall commence upon the 60th day following the date of Employment Termination. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Severance Policy had such payments commenced after the date of Employment Termination, and any payments to be made thereafter shall continue as provided herein. The delayed payments shall in any event expire at the time such payments would have expired had such payments commenced immediately following the date of Employment Termination.

7. **Section 409A** . Notwithstanding any provisions in this Severance Policy to the contrary, if at the time of the Employment Termination the Covered Executive is a "specified employee" as defined in Section 409A and the deferral of the commencement of any payments or benefits otherwise payable as a result of such Employment Termination is necessary to avoid the additional tax under Section 409A, the Company will defer the payment or commencement of the payment of any such payments or benefits (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following the Employment Termination. Any monthly payment amounts deferred will be accumulated and paid to Executive (without interest) six months after the date of Employment Termination in a lump sum, and the balance of payments due to Executive will be paid as otherwise provided in this Severance Policy. Each monthly payment described in this Severance Policy is designated as a "separate payment" for purposes of Section 409A and, subject to the six month delay, if applicable, and Section 6 the first monthly payment shall commence on the payroll date as in effect on termination following the termination. For purposes of this Severance Policy, a termination of employment means a separation from service as defined in Section 409A. No reimbursement payable to Executive pursuant to any provisions of this Severance Policy or pursuant to any plan or arrangement of the Company shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, and no such reimbursement during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Section 409A. This Severance Policy will be interpreted, administered and operated in accordance with Section 409A, although nothing herein will be construed as an entitlement to or guarantee of any particular tax treatment to Executive.

8. **Term** . This Severance Policy shall terminate on the Effective Date of a Change of Control.