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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December29, 2001

Commission file number 000-49602

SYNAPTICS INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0118518 (I.R.S. Employer Identification No.)
2381 Bering Drive, San Jose, California (Address of principal executive offices)	95131 (Zip code)

Registrant's telephone number, including area code: (408)434-0110

Check whether the registrant: (1)has filed all reports required to be filed by Section13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12months (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 90days. Yes

No

Number of shares of Common Stock outstanding at February19, 2002: 23,119,771

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SYNAPTICS INCORPORATED
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED DECEMBER 29, 2001

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SYNAPTICS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31, 2001 (unaudited)	June 30, 2001 (1)
Assets		
Current assets:		
Cash and cash equivalents	$ 10,610	$ 3,766
Accounts receivable, net of allowances of $140 and $125 at December31, 2001 and June30, 2001, respectively	12,031	12,245
Inventories	5,006	7,290
Prepaid expenses and other current assets	614	651
Total current assets	28,261	23,952
Property and equipment, net	1,825	1,795
Goodwill	765	765
Other acquired intangible assets, net	99	174
Other assets	1,247	471
Total assets	$ 32,197	$ 27,157
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 5,844	$ 7,289
Accrued compensation	2,039	1,563
Accrued warranty	759	509
Other accrued liabilities	1,496	1,071
Capital leases and equipment financing obligations	511	546
Total current liabilities	10,649	10,978
Capital leases and equipment financing obligations, net of current portion	351	329
Note payable to a related party	1,500	1,500
Other liabilities	640	596
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, no par value (aggregate liquidation preference — $18,778): Authorized shares — 12,000,000 Issued and outstanding shares — 8,170,207	18,650	18,650
Common stock, no par value: Authorized shares — 25,000,000 Issued and outstanding shares — 6,973,401 and 6,601,849 at December31, 2001 and June30, 2001, respectively	6,836	6,194
Deferred stock compensation	(1,407)	(1,649)
Notes receivable from stockholders	(876)	(906)
Accumulated deficit	(4,146)	(8,535)
Total stockholders' equity	19,057	13,754
Total liabilities and stockholders' equity	$ 32,197	$ 27,157

(1) Derived from the Company's audited financial statements as of June30, 2001, included in Synaptics Incorporated's registration statement on FormS-1 filed with the Securities and Exchange Commission.

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See notes to condensed consolidated financial statements.

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SYNAPTICS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2001	2000	2001	2000
Net revenue	$ 26,402	$ 18,441	$ 49,971	$ 32,429
Cost of revenue(1)	15,376	13,178	29,983	22,137
Gross margin	11,026	5,263	19,988	10,292
Operating expenses				
Research and development(1)	4,117	2,848	7,808	5,640
Selling, general, and administrative(1)	2,426	2,276	5,100	4,237
Amortization of goodwill and other acquired intangible assets	62	195	75	392
Amortization of deferred stock compensation	121	158	242	312
Total operating expenses	6,726	5,477	13,225	10,581
Operating income (loss)	4,300	(214)	6,763	(289)
Interest income	48	74	81	214
Interest expense	(49)	(39)	(113)	(77)
Income (loss)before income taxes	4,299	(179)	6,731	(152)
Provision for income taxes	1,497	5	2,342	31
Net income (loss)	$ 2,802	$ (184)	$ 4,389	$ (183)
Net income (loss)per share:				
Basic	$ 0.42	$ (0.03)	$ 0.66	$ (0.03)
Diluted	$ 0.14	$ (0.03)	$ 0.22	$ (0.03)
Shares used in computing net income (loss)per share:				
Basic	6,709,137	6,046,539	6,666,245	5,907,900
Diluted	20,376,274	6,046,539	20,369,185	5,907,900

(1) Cost of revenue excludes $7,000, $3,000, $14,000, and $5,000 of amortization of deferred stock compensation for the three months ended December31, 2001 and 2000, and the six months ended December31, 2001 and 2000, respectively. Research and development expense excludes $49,000, $50,000, $98,000, and $60,000 of amortization of deferred stock compensation for the three months ended December31, 2001 and 2000, and the six months ended December31, 2001 and 2000, respectively. Selling, general, and administrative expenses exclude $65,000, 105,000, 130,000 and $247,000 of amortization of deferred stock compensation for the three months ended December31, 2001 and 2000, and six months ended December31, 2001 and 2000, respectively. These amounts have been aggregated and reflected as “Amortization of deferred stock compensation.”

See notes to condensed consolidated financial statements.

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SYNAPTICS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(in thousands)
(Unaudited)

	Six Months Ended December 31, 2001	2000
Operating activities		
Net income (loss)	$ 4,389	$ (183)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	609	338
Amortization of goodwill and other acquired intangible assets	75	392
Amortization of deferred stock compensation	242	312
Stock compensation in connection with modification of terms of stock options	—	202
Changes in operating assets and liabilities:		
Accounts receivable	214	(3,393)
Inventories	2,284	(215)
Prepaid expenses and other current assets	37	(80)
Other assets	(776)	41
Accounts payable	(1,445)	751
Accrued compensation	476	(122)
Accrued warranty	250	—
Other accrued liabilities	425	99
Other liabilities	44	52
Net cash provided by (used in) operating activities	6,824	(1,806)
Investing activities		
Purchase of property and equipment	(639)	(357)
Net cash used in investing activities	(639)	(357)
Financing activities		
Payments on capital leases and equipment financing obligations	(321)	(199)
Proceeds from equipment financing	308	499
Proceeds from issuance of common stock upon exercise of options, net of notes receivable	642	297
Repayment of notes receivable from stockholders	30	—
Net cash provided by financing activities	659	597
Increase (decrease) in cash and cash equivalents	6,844	(1,566)
Cash and cash equivalents at beginning of period	3,766	6,507
Cash and cash equivalents at end of period	10,610	4,941
Supplemental disclosures of cash flow information		
Retirement of equipment and related accumulated depreciation for property and equipment no longer in service	—	1,655
Cash paid for interest	58	23
Cash paid for taxes	1,713	—
Issuance of common stock to employees for notes receivable	—	273

See notes to condensed consolidated financial statements.

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SYNAPTICS INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission and generally accepted accounting principles. However, certain information or footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed, or omitted, pursuant to such rules and regulations. In the opinion of the Company, the statements include all adjustments (which are of a normal and recurring nature) necessary for the fair presentation of the results of the interim periods presented. These financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's registration statement on FormS-1 (No. 333-56026). The results of operations for the interim periods are not necessarily indicative of the operating results for the full fiscal year or any future period.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation.

The Company's fiscal year ends on the last Saturday in June. For ease of presentation, the accompanying financial statements have been shown as ending on June30 and calendar quarter ends for all annual, interim, and quarterly financial statement captions.

2. Net Income (Loss) Per Share

Basic and diluted net income (loss)per share amounts are presented in conformity with Statement of Financial Accounting Standard no. 128, "Earnings Per Share," ("FAS 128") for all periods presented. In accordance with FAS 128, basic and diluted net loss per share amounts and basic net income per share amounts have been computed using the weighted-average number of shares of common stock outstanding during each period, less shares subject to repurchase. Diluted net income per share amounts also include the effect of potentially dilutive securities, including stock options, warrants, and convertible preferred stock, when dilutive.

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The following table presents the computation of basic and diluted net income (loss)per share:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2001	2000	2001	2000
Numerator for basic and diluted net income (loss)per share:				
Net income (loss)	$ 2,802	$ (184)	$ 4,389	$ (183)
Denominator for basic net income (loss)per share:				
Weighted average common shares outstanding	6,709,137	6,288,114	6,678,433	6,131,663
Less: Weighted average shares subject to repurchase	—	(241,575)	(12,188)	(223,763)
Denominator for basic net income (loss)per share	6,709,137	6,046,539	6,666,245	5,907,900
Denominator for diluted net income (loss)per share:				
Shares used above, basic	6,709,137	6,046,539	6,666,245	5,907,900
Dilutive stock options	2,533,532	—	2,569,335	—
Dilutive warrants	22,588	—	22,588	—
Dilutive preferred stock	11,073,517	—	11,073,517	—
Dilutive contingent shares	37,500	—	37,500	—
Denominator for diluted net income (loss)per share	20,376,274	6,046,539	20,369,185	5,907,900
Net income (loss)per share:				
Basic	$ 0.42	$ (0.03)	$ 0.66	$ (0.03)
Diluted	$ 0.14	$ (0.03)	$ 0.22	$ (0.03)

3. Foreign Currency Translation

The functional and reporting currency of the Company and its subsidiaries is the U.S. dollar in accordance with FAS 52, "Foreign Currency Translation." Monetary assets and liabilities of the Company and its subsidiaries not denominated in the functional currency are translated into U.S. dollar equivalents at the rate of exchange in effect on the balance sheet date. Non-monetary balance sheet accounts are measured and recorded at the rate in effect at the date of the translation. Revenue and expenses are translated at the weighted average exchange rate in the month that the transaction occurred. Remeasurement of monetary assets and liabilities that are not denominated in the functional currency are included currently in operating results. Translation gains (losses)included in operating results for the three-month and six-month periods ended December31, 2001 and 2000 totaled ($14,500), ($18,200), $3,900 and ($28,200), respectively. To date, the Company has not undertaken hedging transactions related to foreign currency exposure.

4. Advertising Expense

All advertising costs are expensed as incurred. The advertising costs for the three-month periods ended December31, 2001 and 2000 amounted to $58,000 and $106,000, respectively. Advertising costs for the six-month periods ended December31, 2001 and 2000 amounted to $117,000 and $186,000, respectively.

5. Income Taxes

The income tax provision for the three-month and six-month periods ended December31, 2001 reflects income tax on expected pre-tax income for the year partially offset by a research and development tax credit, and for the three-month and six-month periods ended December31, 2000 also reflects the benefit of utilizing net operating loss carryforwards.

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6. Comprehensive Income (Loss)

Comprehensive income includes all changes in stockholders' equity during a period, except those resulting from investments by owners and distributions to owners. Other comprehensive income (loss)comprises unrealized gains and losses on available-for-sale securities, which have been immaterial to date. As a result, comprehensive income (loss)approximates net income (loss)for all periods presented.

7. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market (estimated net realizable value) and consisted of the following (in thousands):

	December 31, 2001	June 30, 2001
Raw materials and work-in-process	$ 4,512	$ 6,938
Finished goods	494	352
	$ 5,006	$ 7,290

8. Goodwill and Other Acquired Intangible Assets

Goodwill represents the excess purchase price of net tangible and intangible assets acquired in business combinations over their estimated fair value. Other acquired intangible assets primarily represent core technology and patent rights. In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.141, Business Combinations, and No.142, Goodwill and Other Intangible Assets ("FAS 141" and "FAS 142", respectively). Adoption of FAS 141 did not have any impact on the Company's financial position or historical results of operations. However, certain intangible assets that did not meet the new criteria for recognition as a separate class of intangible assets have been reclassified as part of goodwill for all periods presented.

FAS 142 supersedes APB Opinion No.17, Intangible Assets, and requires goodwill and other intangible assets that have an indefinite useful life to no longer be amortized; however, these assets must be reviewed at least annually for impairment. The Company had previously amortized goodwill over its estimated useful life of three years; however, pursuant to the adoption of FAS 142 on July1, 2001, the goodwill is no longer amortized. The Company continues to amortize separately identifiable intangible assets with finite useful lives over periods ranging from two to three years and the adoption of FAS 142 had no impact on such identifiable intangible assets. In the Company's opinion, no material impairment existed at December31, 2001.

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Goodwill and other acquired intangible assets consisted of the following (in thousands):

	December 31, 2001	June 30, 2001
	(in thousands)	
Goodwill		$ 1,823
Accumulated amortization		(1,058)
Carrying value of goodwill	$ 765	$ 765
Other Acquired Intangible Assets:		
Acquired core technology	201	201
Acquired sales representatives	150	150
Purchases patents	154	154
	505	505
Accumulated amortization	(406)	(331)
	99	174
	$ 864	$ 939

9. Line of Credit

In August 2001, the Company entered into a $4.2million revolving line of credit ("line of credit") with a bank. Borrowings under this line of credit bear interest at the rate of 0.5% over the bank's prime rate, are subject to certain financial and non-financial covenants, and are limited to 75% of qualifying account receivables as defined in the agreement with the bank. The line of credit expires on August29, 2002. As of December31, 2001, the Company had not borrowed any amounts under this facility.

10. Segment, Customers and Geographic Information

The Company operates in one segment, the development, marketing, and sale of interactive user interface solutions for intelligent electronic devices and products and generated its revenue from two broad product categories, the personal computer ("PC") market and information appliances ("iAppliances") market. For the three-month and six-month periods ended December31, 2001 and 2000 the PC market accounted for 98%, 97%, 98% and 96% of revenue, respectively.

The following is a summary of operations within geographic areas based on customer's location:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2001	2000	2001	2000
Revenue from sales to unaffiliated customers:				
Taiwan	$ 21,044	$ 15,182	$ 39,186	$ 26,926
United States	767	2,146	1,675	3,124
Korea	500	615	1,091	1,235
Other	4,091	498	8,019	1,144
	$ 26,402	$ 18,441	$ 49,971	$ 32,429

Major customer data as a percentage of total revenue

	Three Months Ended December 31,		Six Months Ended December 31,	
	2001	2000	2001	2000
Customer A	1 % 9	3 % 7	18 %	2 % 8
Customer B	1 % 7	*	21 %	*

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* less than 10%

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11. Subsequent Events

On February1, 2002, the Company completed an initial public offering of 5,000,000 shares of common stock, resulting in net proceeds, after the underwriters' discount and estimated offering expenses, of approximately $49.6 million. The underwriters purchased an additional 750,000 shares of common stock from certain selling stockholders from which the Company did not receive any proceeds. In connection with the initial public offering, the Company completed a change-of-domicile merger in which it was reincorporated in Delaware; its authorized capital was increased to 60,000,000 shares of common stock and 10,000,000 shares of preferred stock, each with a par value of $.001 per share; each share of common stock, no par value, was converted into one share of common stock, $.001 par value; and all of the Company's preferred stock was converted into 11,105,517 shares of common stock.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT RESULTS

You should read the following discussion and analysis in conjunction with our condensed consolidated financial statements and notes in Item1 above and with our audited financials statements and notes for the year ended June30, 2001, included in our registration statement on FormS-1 (No.333-56026) filed with the Securities and Exchange Commission.

In addition to the historical information contained herein, this report contains forward-looking statements, including those related to market penetration and share gains in both the notebook and iAppliance markets, revenue from both the notebook and iAppliance markets, growth rates of these markets, average selling prices, product mix, cost improvement programs, gross margins, customer relationships, research and development expenses, selling, general and administrative expenses, and liquidity and anticipated cash needs, that involve risks and uncertainties that could cause actual results to differ materially.

We caution that these statements are qualified by various factors that may affect future results, including the following: changes in the market for our products and the success of our customers' products, our success in moving products from the design phase into the manufacturing phase, the failure of key technologies to deliver commercially acceptable performance, our dependence on the notebook market, penetration into new markets, the absence of both long-term purchase and supply commitments, and our lengthy development and product acceptance cycles. This report should be read in conjunction with our prospectus dated January29, 2002, which forms a part of Registration Statement No.333-56026.

OVERVIEW

We are the leading worldwide developer and supplier 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. From our inception in 1986 through 1994, we were a development stage company, focused on developing and refining our pattern recognition and capacitive sensing technologies, and generated revenue by providing contract engineering and design services. In fiscal 1996, we introduced our proprietary TouchPad™ and are now the leading supplier of touch pads to the notebook computer market. We estimate our market share to be approximately 61% for touch pads and approximately 40% for all notebook computer interfaces for fiscal 2001. We believe our market share penetration results from the combination of our customer focus, the strength of our intellectual property, and our engineering know-how, which allows us to design products that meet the demanding design specifications of OEMs.

Although we derive most of our revenue from sales of our interface solutions to contract manufacturers that provide manufacturing services to OEMs, the OEMs typically determine the design and pricing requirements and make the overall decision regarding the use of our interface solutions in their products. Therefore, we consider both the OEMs and their contract manufacturers to be our customers. The term "customer" as used in this report refers to both our OEM and contract manufacturer customers. Our financial statements reflect the revenue we receive from the sale of our products to the contract manufacturers, most of which are located in Taiwan. The contract manufacturers place orders with us for the purchase of our products, take title to the products purchased upon shipment by us, and pay us directly for those purchases. These customers have no return privileges, except for warranty provisions.

In April 2000, we began shipping our initial dual pointing solution, which includes third-party products, that enables notebook OEMs to offer end users the combination of both a touch pad and a pointing stick. In January 2001, we achieved our first design win incorporating our proprietary pointing stick solution, TouchStyk™, into a dual pointing application for use in a notebook computer. A design win means that a customer and we have agreed on the product design specifications, the pricing, and the development and production schedules. With the introduction of our TouchStyk,

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we now offer OEMs the choice of a touch pad, a pointing stick, or a combination of both of our proprietary interface solutions for dual pointing applications. We believe that our proprietary TouchStyk will enable us to penetrate the approximate 29% portion of the notebook market that utilizes the pointing stick as the interface solution and thereby increase our total market share of the overall notebook interface market. In addition, we plan to leverage our industry-leading capacitive sensing technology and introduce our new ClearPad™ and Spiral technologies into the emerging iAppliance markets.

We have experienced significant demand for our dual pointing solutions, which results in higher revenue because we are able to sell two interface solutions for each notebook computer. Most of our dual pointing revenue has been derived from product solutions that include a significant percentage of third-party products, which we either resell or license. As a consequence, the gross margin on our dual pointing revenue was initially well below the gross margin we experience from the sale of our proprietary interface solutions. Beginning in the second half of fiscal 2001 we began to see the benefits from phasing in cost improvement programs aimed at reducing the cost of our dual pointing solutions. For fiscal 2001, however, dual pointing revenue had a significant negative impact on our gross margin. Although our dual pointing solutions containing important third-party products will continue to represent a significant portion of our dual pointing revenue for the foreseeable future, we began shipments of our new proprietary dual pointing solutions in the first quarter of fiscal 2002. The combination of the full implementation of our cost improvement programs for our dual pointing solutions containing important third-party products together with our new proprietary dual pointing solutions have improved our gross margin in the first half of fiscal 2002 as compared to our gross margin in fiscal 2001.

We recognize revenue upon shipment of our products and passage of title to our customers. Through fiscal 2000, all of our product revenue was derived from the notebook computer market. We began to generate revenue from the iAppliance markets in fiscal 2001.

While we have been awarded design wins by several Japanese OEMs of notebook computers, some of which are currently ordering and receiving products from us, our largest customers are the major U.S.-based OEMs that sell notebook computers worldwide. Any downturn in the notebook computer market or a competitive shift from U.S. to Japanese OEMs could have a material adverse effect on our business, financial condition, results of operations, and prospects. We work closely with our customers to design interface solutions to meet their specific requirements and provide both pre-sale custom-design services and post-sale support. During the design phase, we typically do not have any commitment from our customers to pay for our non-recurring engineering costs should a customer decide not to introduce that specific product or choose not to incorporate our interface solution in its products. We believe our focus on customer service and support has allowed us to develop strong customer relationships in the PC market, which we plan to expand in the future, and has provided us with the experience necessary to develop strong customer relationships in the new markets we intend to penetrate.

Our manufacturing operations are based on a variable cost model in which we outsource all of our production requirements, eliminating the need for significant capital expenditures and allowing us to minimize our investment in inventories. This approach requires us to work closely with our manufacturing subcontractors to ensure adequate production capacity to meet our forecasted volume requirements. We provide our manufacturing subcontractors with six-month rolling forecasts and issue purchase orders based on our anticipated requirements for the next 90days. We do not have any long-term supply contracts with any of our manufacturing subcontractors. Currently, we primarily use one third-party manufacturer to provide our ASICs, and in certain cases, we also rely on single source or a limited number of suppliers to provide other key components of our products. Our cost of sales includes all costs associated with the production of our products, including materials, manufacturing, and assembly costs paid to third-party manufacturers and related overhead costs associated with our manufacturing operations personnel. Additionally, all warranty costs and any inventory provisions or write-downs are expensed as cost of sales.

Our gross margin generally reflects the combination of the added value we bring

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to our customers' products in meeting their custom design requirements and our on-going cost improvement programs. In fiscal 2001, we experienced significant pressure on our gross margin, resulting from the increasing revenue mix of dual pointing solutions containing significant third-party products. We have been successful in implementing cost reductions that have significantly improved the gross margins of these dual pointing solutions. These cost improvement programs include reducing component costs and design and process improvements. In addition, our gross margin has been positively impacted by shipments of our proprietary dual pointing solutions. In the future, we plan to introduce additional new products, which may initially negatively impact our gross margin, as has been the case with our dual pointing solutions.

Our research and development expenses include expenses related to product development, engineering, materials costs, patent expenses, and the costs incurred to design interface solutions for customers prior to the customers' commitment to incorporate those solutions into their products. These expenses have generally increased, reflecting our continuing commitment to the technological and design innovation required to maintain a leadership position in our existing market and to develop new technologies for new markets. In fiscal 2000, we significantly increased our research and development expenses as a result of our October 1999 acquisition of Absolute Sensors Limited, or ASL, a company located in Cambridge, United Kingdom, which has been developing inductive pen-sensing technology applicable to new markets we intend to address. Also related to this acquisition was the write-off in fiscal 2000 of acquired in-process research and development of $855,000 and the amortization of goodwill and other intangible assets of approximately $502,000. The amortization of goodwill and other intangible assets related to this acquisition totaled $753,000 in fiscal 2001. We expect to record significantly lower amortization in future periods as a result of the adoption of FAS 142, under which goodwill is no longer subject to amortization.

Selling, general, and administrative expenses include expenses related to sales, marketing, and administrative personnel; internal sales and outside sales representatives' commissions; market research and consulting; and other marketing and sales activities. These expenses have increased, reflecting increased staffing, commission expense associated with higher revenue levels, and additional management personnel in anticipation of our continued growth in our existing market and penetration into new markets. We utilize both inside sales personnel and outside sales representatives and agents.

In connection with the grant of stock options to our employees, we recorded deferred stock compensation of approximately $2.1million through fiscal 2001, representing the difference between the deemed fair value of our common stock for financial reporting purposes and the exercise price of these options at the date of grant. Deferred stock compensation is presented as a reduction of stockholders' equity and is amortized on a straight-line basis over the vesting period. Options granted are typically subject to a four-year vesting period. Restricted stock acquired through the exercise of unvested stock options is subject to our right to repurchase the unvested stock at the price paid, which right to repurchase lapses over the vesting period. We have also recorded $303,000 of deferred compensation related to options granted to consultants through fiscal 2001. We are amortizing the deferred stock compensation over the vesting periods of the applicable options and the repurchase periods for the restricted stock. We recorded amortization of deferred stock compensation of approximately $82,000 and $597,000 in fiscal 2000 and 2001, respectively, and approximately $242,000 for the six months ended December31, 2001. We will incur substantial expense in future periods as a result of the amortization of the remaining $1.4million of deferred stock compensation relating to previously granted stock options.

In August 1997, we entered into an agreement with National Semiconductor in connection with a new development-stage company, Foveon, which focuses on developing digital imaging technology and products. Under the agreement, National Semiconductor invested cash and we contributed certain non-core technology and $1.5million of cash, financed with a limited-recourse loan to us from National Semiconductor, in exchange for a minority interest in Foveon in the form of convertible preferred stock. During the fiscal year ended June 30, 2000, we advanced Foveon approximately $2.7million in the form of convertible promissory notes to help fund its on-going operating losses. Our investment in Foveon is accounted for under the equity method under which we

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record our share of losses incurred by Foveon on the basis of our proportionate ownership of equity and debt securities issued by that company. As we do not have any contractual obligation to provide additional funding to Foveon, for accounting purposes our share of losses is limited to the maximum amount of our total investment in that company. During fiscal year 1998 we recorded equity losses of $1.5million as our share of Foveon's loss (limited to our investment), which reduced our carrying value of our investment in Foveon to zero. During fiscal year 2000 we recorded additional losses of $2.7 million and accordingly had no carrying value associated with our investment in Foveon as of June30, 2000 or 2001.

Utilization of tax loss carryforwards and tax credit carryforwards have either eliminated or minimized our provision for income taxes over the last five years. As of June30, 2001, we had federal research and development tax credit carryforwards of approximately $700,000. The federal credit carryforwards will expire at various dates beginning in 2012 through 2021, if not utilized.

From inception to date, operations have been funded through a combination of private equity financings and stock option exercises totaling $22.1million and cash generated from operations. The last private equity financing occurred in November 1995 and totaled $4.7million. Cash and cash equivalents as of December31, 2001 were $10.6million.

RESULTS OF OPERATIONS

Three months ended December31, 2001 compared to three months ended December31, 2000

Revenue was $26.4million for the three months ended December31, 2001 compared to $18.4million for the three months ended December31, 2000, an increase of 43.2%. The increase in revenue was attributable to the combination of increased unit shipments, higher average selling prices resulting from the inclusion of both a touch pad and a pointing stick in our dual pointing solutions, and non-recurring engineering and patent license fees, partially offset by general competitive pricing pressure. Revenue from our dual pointing solutions represented approximately 51% of our revenue for the three months ended December31, 2001 compared to approximately 40% for the three months ended December31, 2000.

Gross margin as a percentage of revenue was 41.8% for the three months ended December31, 2001 compared to 28.5% for the three months ended December 31, 2000. The improvement in gross margin as a percentage of revenue resulted from the implementation of cost-improvement programs, which reduced the cost of our dual pointing solutions through the combination of design and process improvements, lower outside assembly costs, generally lower costs for materials and electronic components, and non-recurring engineering and patent license revenue, partially offset by general competitive pricing pressure.

Research and development expenses increased 44.6% to $4.1million, or 15.6% of revenue, for the three months ended December31, 2001 from $2.8 million, or 15.4% of revenue, for the three months ended December31, 2000. The major contributor to the increase in spending was higher compensation costs associated with increased staffing levels. Higher product development related expenses, including outside services and materials costs, also contributed to this increase.

Selling, general, and administrative expenses increased to $2.4million, or 9.2% of revenue, for the three months ended December31, 2001 from $2.3 million, or 12.3% of revenue, for the three months ended December31, 2000. The increase in actual spending reflected increased staffing, including additions to our inside sales force, increased expenses related to our higher operating levels, and costs incurred related to our filings with the Securities and Exchange Commission, partially offset by lower sales commissions resulting from the replacement of outside sales representatives with inside sales personnel for certain customer accounts beginning in October 2001.

The three months ended December31, 2000 include amortization of goodwill and other acquired intangible assets related to the acquisition of ASL of $195,000. In connection with the adoption of Statement of Financial Accounting Standards No.142 "Goodwill and Other Intangible Assets" on July1, 2001, amortization of goodwill was terminated, which resulted in significantly lower amortization charges in the three

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months ended December31, 2001. Amortization of other intangible assets continued in accordance with the previously determined useful economic lives.

The three months ended December31, 2001 includes amortization expense for deferred stock compensation of $121,000 compared to $158,000 for the three months ended December31, 2000. We expect to record amortization expense of $241,000 in the remaining six months of fiscal 2002, $475,000 in fiscal 2003, and the balance of $692,000 in future years.

We generated operating income of $4.3million for the three months ended December31, 2001 compared to an operating loss of $214,000 for the three months ended December31, 2000. The major contributors to the improvement in operating income included the increased revenue levels, the higher gross margin percentage resulting from the implementation of our cost-improvement programs for our dual pointing solutions, lower assembly costs, lower materials and electronic components costs, non-recurring engineering and patent license revenue, lower sales commissions related to the replacement of outside sales representatives with inside direct sales personnel, and lower amortization expense for goodwill and other acquired intangible assets. These factors were partially offset by higher compensation costs, resulting from our increased staffing levels, higher research and development project costs, and costs incurred related to our filings with the Securities and Exchange Commission.

The provision for income taxes for the three months ended December31, 2001 was $1.5million compared to $5,000 for the three months ended December 31, 2000, reflecting the higher pre-tax profit levels. The income tax provision represents the estimated federal and state taxes and the foreign taxes associated with our operations in the United Kingdom and Taiwan. The effective tax rate for the three months ended December31, 2001 was approximately 35%, reflecting the benefits of research and development tax credits, partially offset by nondeductible deferred compensation.

Six months ended December31, 2001 compared to six months ended December31, 2000

Revenue for the six months ended December31, 2001 was $50.0million compared to $32.4million for the six months ended December31, 2000, a 54.1% increase. The increase in revenue was mainly attributable to the increase in unit shipments, higher average selling prices resulting from the inclusion of both a touch pad and a pointing stick in our dual pointing solutions, which began shipping in the June 2000 quarter, and non-recurring engineering and patent license fees, partially offset by general competitive pricing pressure. Revenue from our dual pointing solutions represented approximately 50% of our revenue for the six months ended December31, 2001 compared to 29% for the six months ended December31, 2000.

Gross margin as a percentage of revenue was 40.0% for the six months ended December31, 2001 compared to 31.7% for the six months ended December31, 2000. The improvement in gross margin as a percentage of revenue resulted from the implementation of cost-improvement programs, which reduced the cost of our dual pointing solutions through the combination of design and process improvements, lower outside assembly costs, generally lower costs for materials and electronic components, and non-recurring engineering and patent license revenue, partially offset by general competitive pricing pressure.

Research and development expenses increased 38.4% to $7.8million, or 15.6% of revenue, for the six months ending December31, 2001 from $5.6 million, or 17.4% of revenue, for the six months ending December31, 2000. The major contributor to the increase in spending was higher compensation costs associated with increased staffing levels. Higher product development related expenses, including outside services and materials costs, also contributed to this increase.

Selling, general, and administrative expenses for the six months ended December31, 2001 increased to $5.1million, or 10.2% of revenue, from $4.2 million, or 13.1% of revenue, for the six months ended December31, 2000. The increase in actual spending resulted from increased staffing, including additions to our inside sales force, increased expenses related to our higher operating levels, and costs incurred related to our filings with the Securities and Exchange Commission, partially offset by lower sales commissions resulting from the replacement of outside sales representatives with inside sales personnel for certain customer accounts beginning in

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October 2001.

The six months ended December31, 2000 reflected charges for the amortization of goodwill and other acquired intangible assets related to the acquisition of ASL of $392,000. In connection with the adoption of Statement of Financial Accounting Standards No.142 "Goodwill and Other Intangible Assets" on July1, 2001, amortization of goodwill was terminated, which resulted in significantly lower amortization charges in the six months ended December31, 2001 compared to the same periods in the previous year. Amortization of other intangible assets continued in accordance with the previously determined useful economic lives.

The six months ended December31, 2001 includes amortization expense for deferred stock compensation of $242,000 compared to $312,000 for the six months ended December31, 2000. We expect to record amortization expense of $241,000 in the remaining six months of fiscal 2002, $475,000 in fiscal 2003, and the balance of $692,000 in future years.

We generated operating income of $6.8million for the six months ended December31, 2001 compared to an operating loss of $289,000 for the six months ended December31, 2000. The major contributors to the improvement in operating income included the increased revenue levels, the higher gross margin percentage resulting from the implementation of our cost-improvement programs for our dual pointing solutions, lower assembly costs, lower materials and electronic components costs, non-recurring engineering and patent license revenue, lower sales commissions related to the replacement of outside sales representatives with inside direct sales personnel, and lower amortization expense for goodwill and other acquired intangible assets. These factors were partially offset by higher compensation costs, resulting from our increased staffing levels, higher research and development project costs, and costs incurred related to our filings with the Securities and Exchange Commission.

The provision for income taxes for the six months ended December31, 2001 was $2.3million compared to $31,000 for the six months ended December31, 2000, reflecting the higher pre-tax profit levels. The income tax provision represents the estimated federal and state taxes and the foreign taxes associated with our operations in the United Kingdom and Taiwan. The effective tax rate for the six months ended December31, 2001 was approximately 35%, reflecting the benefits of research and development tax credits, partially offset by nondeductible deferred compensation.

LIQUIDITY AND CAPITAL RESOURCES

Our cash and cash equivalents were $10.6million as of December31, 2001 compared to $3.8million as of June30, 2001. On February1, 2002, we completed our initial public offering in which we sold 5.0million shares at $11.00 per share, generating approximately $49.6million of net proceeds, after the underwriters' discount and estimated offering expenses.

During the six months ended December31, 2001, net cash generated from operating activities was $6.8million, primarily reflecting our net income of $4.4million plus non-cash adjustments for depreciation, amortization of acquired intangible assets, and deferred stock compensation, and lower working capital. We expect that accounts receivable and inventory will increase if our revenue continues to grow and that we will continue to increase our investment in capital assets to expand our business.

Investing activities typically relate to purchases of capital assets, which totaled $639,000 for the six months ended December31, 2001.

Financing activities for the first six months of fiscal 2002 and over the prior three years have generally been related to the proceeds obtained from the financing of capital assets, offset by the related repayments under those transactions, plus the proceeds from the exercise of vested stock options. Net cash provided by financing activities for the six months ended December31, 2001 was $659,000.

Our principal sources of liquidity as of December31, 2001 consisted of $10.6million in cash and cash equivalents and a $4.2million working capital line of credit with Silicon Valley Bank. The Silicon Valley Bank revolving line of credit expires

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August29, 2002, has an interest rate equal to 0.5% above Silicon Valley Bank's prime lending rate, and provides for a security interest in substantially all of our assets. We had not borrowed any amounts under the line as of December31, 2001. The long-term note payable to National Semiconductor represents limited-recourse debt that is secured solely by a portion of our preferred stockholdings in Foveon, in which National Semiconductor is also an investor. We do not anticipate making any payments under the limited-recourse loan with National Semiconductor, either prior to or at maturity, unless Foveon is participating in a liquidity event, such as an initial public offering of its equity securities or a merger, through which we would be able to receive amounts in excess of the carrying amount of our $1.5 million investment.

We believe our existing cash balances, the working capital line of credit with Silicon Valley Bank, and the net proceeds of our initial public offering will be sufficient to meet our cash requirements at least through the next 12 months. Our future capital requirements will depend on many factors, including our rate of revenue growth, the timing and extent of spending to support product development efforts, the expansion of sales and marketing activities, the timing of introductions of new products and enhancements to existing products, the costs to ensure access to adequate manufacturing capacity, the continuing market acceptance of our product solutions, and the amount and timing of our investment in, or acquisition of, other technologies or companies. We cannot assure you that additional equity or debt financing will be available to us on acceptable terms or at all.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation and is mainly comprised of government-backed securities and investment-grade instruments, we would not expect our operating results or cash flows to be significantly affected by changes in market interest rate. We do not use our investment portfolio for trading or other speculative purposes.

FOREIGN CURRENCY EXCHANGE RISK

All of our sales and our expenses, except those expenses related to our U.K. and Taiwan operations, are denominated in U.S. dollars. As a result, we have relatively little exposure to foreign currency exchange risks and foreign exchange losses have been immaterial to date. We do not currently enter into forward exchange contracts to hedge exposure denominated in foreign currencies or any other derivative financial instruments for trading or speculative purposes. In the future, if we feel that our foreign exchange exposure has increased, we may consider entering into hedging transactions to help mitigate that risk.

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PART II – OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

From September30, 2001 to December29, 2001, we issued options to purchase an aggregate of 294,000 shares of our common stock at a price of $8.50 per share to employees and consultants pursuant to the 1996 Stock Option Plan, the 2000 Nonstatutory Stock Option Plan, and the 2001 Incentive Compensation Plan.

From September30, 2001 to December29, 2001, we issued and sold an aggregate of 296,866 shares of our common stock to employees, directors, and consultants for $531,965 in cash, pursuant to the exercise of options granted under our 1996 Stock Option Plan and 2001 Incentive Compensation Plan.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit Number	Exhibit
2	Agreement and Plan of Merger
3.1	Certificate of Incorporation
3.2	Bylaws
10.7	Amended and Restated 2001 Employee Stock Purchase Plan (as amended through February20, 2002)
10.17	Form of Indemnification Agreement entered into as of January28, 2002 with the following Directors and Executive Officers: Federico Faggin, Francis F. Lee, Donald E. Kirby, Russell J. Knittel, Shawn P. Day, Richard C. McCaskill, David T. McKinnon, Thomas D. Spade, William T. Stacy, Keith B. Geeslin, Richard L. Sanquini, and Joshua C. Goldman

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.

SYNAPTICS INCORPORATED

DATE: February20, 2002

/s/ Francis F. Lee Francis F. Lee
President and Chief Executive Officer

/s/ Russell J. Knittel Russell J. Knittel
Senior Vice President and Chief Financial Officer

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EXHIBIT 2

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Merger Agreement") is entered into as of January 9, 2002 by and between Synaptics Incorporated, a California corporation ("Synaptics-CA"), and Synaptics Incorporated, a Delaware corporation ("Synaptics-DE").

WHEREAS, Synaptics-DE is a corporation duly organized and existing under the laws of the state of Delaware;

WHEREAS, Synaptics-CA is a corporation duly organized and existing under the laws of the state of California;

WHEREAS, on the date of this Merger Agreement, Synaptics-DE has authority to issue 60,000,000 shares of Common Stock, par value $0.001 per share (the Synaptics-DE Common Stock"), of which one thousand (1,000) shares are issued and outstanding, and ten million (10,000,000) shares of preferred stock, par value $.001 per share, none of which are issued and outstanding (the "Synaptics-DE Preferred Stock");

WHEREAS, on the date of this Merger Agreement, Synaptics-CA is authorized to issue twenty-five million (25,000,000) shares of Common Stock without par value, of which 6,975,768 shares are issued and outstanding (the Synaptics-CA Common Stock"); 496,095 shares of Series A Preferred Stock, without par value, of which 496,095 shares are issued and outstanding (the "Synaptics-CA Series A Preferred Stock"); 871,428 shares of Series B Preferred Stock, without par value, of which 871,428 shares are issued and outstanding (the "Synaptics-CA Series B Preferred Stock"); 545,455 shares of Series C Preferred Stock, without par value, of which 545,455 shares are issued and outstanding (the "Synaptics-CA Series C Preferred Stock"); 2,314,284 shares of Series D Preferred Stock, without par value, of which 2,314,284 shares are issued and outstanding (the "Synaptics-CA Series D Preferred Stock"); 2,887,703 shares of Series E Preferred Stock, without par value, of which 2,887,703 shares are issued and outstanding (the "Synaptics-CA Series E Preferred Stock"); and 1,055,556 shares of Series F Preferred Stock, without par value, of which 1,055,242 shares are issued and outstanding (the "Synaptics-CA Series F Preferred Stock");

WHEREAS, the respective Boards of Directors for Synaptics-DE and Synaptics-CA have determined that, for the purpose of effecting the reincorporation of Synaptics-CA in the state of Delaware, it is advisable and to the advantage of said two corporations and their stockholders that Synaptics-CA merge with and into Synaptics-DE upon the terms and conditions herein provided; and

WHEREAS, the respective Board of Directors of Synaptics-DE and Synaptics-CA and the shareholders and the stockholders of Synaptics-DE and Synaptics-CA, respectively, have adopted and approved this Merger Agreement.

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NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, Synaptics-CA and Synaptics-DE hereby agree to merge as follows:

1. Merger. Synaptics-CA shall be merged with and into Synaptics-DE, and Synaptics-DE shall survive the merger (the "Merger"), effective upon the date when this Merger Agreement is made effective in accordance with applicable law (the "Effective Date").

2. Governing Documents.

a. The Certificate of Incorporation of Synaptics-DE shall continue to be the Certificate of Incorporation of Synaptics-DE as the surviving corporation.

b. The Bylaws of Synaptics-DE in effect on the Effective Date, shall continue to be the Bylaws of Synaptics-DE as the surviving corporation without change or amendment until further amended in accordance with the provisions thereof and applicable laws.

3. Directors and Officers. The directors and officers of Synaptics-CA shall become the directors and officers of Synaptics-DE upon the Effective Date, and any committee of the Board of Directors of Synaptics-CA shall become the members of such committees for Synaptics-DE.

4. Succession. On the Effective Date, Synaptics-DE shall succeed to Synaptics-CA in the manner of and as more fully set forth in Section 259 of the General Corporation Law of the state of Delaware.

5. Further Assurances. From time to time, as and when required by Synaptics-DE or by its successors and assigns, there shall be executed and delivered on behalf of Synaptics-CA such deeds and other instruments, and there shall be taken or caused to be taken by it such further and other action, as shall be appropriate or necessary in order to vest, perfect, or confirm of record or otherwise, in Synaptics-DE the title to and possession of all property, interests, assets, rights, privileges, immunities, powers, franchises, and authority of Synaptics-CA and otherwise to carry out the purposes of this Merger Agreement and the officers and directors of Synaptics-DE are fully authorized in the name and on behalf of Synaptics-CA or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

6. Stock of Synaptics-CA. Upon the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof, (i) each share of Synaptics-CA Common Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid and nonassessable share of Synaptics-DE Common Stock; (ii) each share of Synaptics-CA Series A Preferred Stock outstanding immediately prior thereto shall be changed and converted into
3.3391594 fully paid and nonassessable shares of Synaptics-DE Common Stock;
(iii) each share of Synaptics-CA Series B Preferred Stock outstanding

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immediately prior thereto shall be changed and converted into 3.0000171 fully paid and nonassessable shares of Synaptics-DE Common Stock; (iv) each share of Synaptics-CA Series C Preferred Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid and nonassessable share of Synaptics-DE Common Stock; (v) each share of Synaptics-CA Series D Preferred Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid and nonassessable share of Synaptics-DE Common Stock; (vi) each share of Synaptics-CA Series E Preferred Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid and nonassessable share of Synaptics-DE Common Stock; and (vii) each share of Synaptics-CA Series F Preferred Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid and nonassessable share of Synaptics-DE Common Stock. Fractional shares of Synaptics-DE Common Stock will be rounded down to the nearest whole number for each stockholder.

7. Stock Certificates. On and after the Effective Date, all of the outstanding certificates which prior to that time represented shares of Synaptics-CA stock shall be deemed for all purposes to evidence ownership of and to represent the shares of Synaptics-DE stock into which the shares of Synaptics-CA stock represented by such certificates have been converted as herein provided. The registered owner on the books and records of Synaptics-DE or its transfer agent of any such outstanding stock certificate shall, until such certificate shall have been surrendered for transfer or otherwise accounted for to Synaptics-DE or its transfer agent, have and be entitled to exercise any voting and other rights with respect to and to receive any dividend and other distributions upon the shares of Synaptics-DE stock evidenced by such outstanding certificate as provided above.

8. Outstanding Common Stock of Synaptics-DE. Forthwith upon the Effective Date, the one thousand (1,000) shares of Synaptics-DE Common Stock presently issued and outstanding in the name of Synaptics-CA shall be cancelled and retired and resume the status of authorized and unissued shares of Synaptics-DE Common Stock, and no shares of Synaptics-DE Common Stock or other securities of Synaptics-DE shall be issued in respect thereof.

9. Options, Warrants, and All Other Rights to Purchase Stock. Upon the Effective Date, each outstanding option, warrant, or other right to purchase shares of Synaptics-CA stock shall be converted into and become an option, warrant, or right to purchase the same number of shares of Synaptics-DE stock upon the same terms and subject to the same conditions as set forth in agreements entered into by Synaptics-CA pertaining to such options, warrants, or rights. A number of shares of Synaptics-DE stock shall be reserved for purposes of such options, warrants, and rights equal to the number of shares of Synaptics-CA stock so reserved as of the Effective Date. As of the Effective Date, Synaptics-DE shall assume all obligations of Synaptics-CA under agreements pertaining to such options, warrants, and rights, and the outstanding options, warrants, or other rights, or portions thereof, granted pursuant thereto.

10. Other Employee Benefit Plans. As of the Effective Date, Synaptics-DE hereby assumes all obligations of Synaptics-CA under any and all employee benefit plans in effect as of said date, if any, or with respect to which employee rights or accrued benefits are outstanding as of said date.

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11. Amendment. At any time before or after approval and adoption by the shareholders and stockholders of Synaptics-CA and Synaptics-DE, respectively, this Merger Agreement may be amended in any manner as may be determined in the judgment of the respective Board of Directors of Synaptics-DE and Synaptics-CA to be necessary, desirable, or expedient in order to clarify the intention of the parties hereto or to effect or facilitate the purpose and intent of this Merger Agreement, provided that any change to any material term of the Merger Agreement will be approved by the shareholders and stockholders of Synaptics-CA and Synaptics-DE, respectively.

12. Abandonment. At any time before the Effective Date, this Merger Agreement may be terminated and the Merger may be abandoned by the Board of Directors of either Synaptics-CA or Synaptics-DE or both, notwithstanding approval of this Merger Agreement by the sole stockholder of Synaptics-DE and the shareholders of Synaptics-CA.

13. Counterparts. In order to facilitate the filing and recording of this Merger Agreement, the same may be executed in any number of counterparts, each of which shall be deemed to be an original.

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IN WITNESS WHEREOF, this Merger Agreement, having been first duly approved by resolution of the Board of Directors of Synaptics-CA and Synaptics-DE, is hereby executed on behalf of each of said two corporations by their respective officers thereunto duly authorized.

SYNAPTICS INCORPORATED, A DELAWARE CORPORATION

By: /s/ Francis Lee

Name: Francis Lee
Its: President, Secretary, and Treasurer

SYNAPTICS INCORPORATED, A CALIFORNIA CORPORATION

By: /s/ Francis Lee

Name: Francis Lee
Its: President and Chief Executive Officer

By: /s/ Russ Knittel

Name: Russ Knittel
Its: Senior Vice President, Chief Financial Officer, Chief Administrative Officer, Secretary, and Treasurer

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EXHIBIT 3.1

CERTIFICATE OF INCORPORATION

SYNAPTICS INCORPORATED

FIRST: The name of the Corporation is Synaptics Incorporated.

SECOND: The registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (the "GCL").

FOURTH: The Corporation shall be authorized to issue two classes of shares of capital stock, to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of Common Stock and Preferred Stock that the Corporation shall have authority to issue is seventy million (70,000,000) of which sixty million (60,000,000) shares shall be Common Stock and ten million (10,000,000) shall be Preferred Stock. The par value of the shares of Common Stock is one-tenth of one cent ($.001) per share. The par value of the shares of Preferred Stock is one-tenth of one cent ($.001) per share.

The shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations, or restrictions thereof, including, but not limited to, the fixing or alteration of the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly unissued series of shares of Preferred Stock, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of the shares of that series, but not below the number of shares of that series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status they had prior to the adoption of the resolution originally fixing the number of shares of that series.

FIFTH: The name and mailing address of the incorporator is B. P. Margherita, 1209 Orange Street, Wilmington, DE 19801.

SIXTH: The number of directors which shall comprise the initial Board of Directors of the Corporation shall be one (1). The size of the Board of Directors may be increased or decreased in the manner provided in the Bylaws of the Corporation.

All corporate powers of the Corporation shall be exercised by or under the direction of the Board of Directors except as otherwise provided herein or by law.

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Any director may be removed from office with or without cause only by: (1) the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the combined voting power of the then outstanding shares of all classes and series of stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class (it being understood that for the purposes of this Article SIXTH, each share of Voting Stock shall have the number of votes granted to it in accordance with Article FOURTH of this Certificate of Incorporation) or (2) the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the then serving directors of the Corporation.

Notwithstanding anything contained in this Certificate of Incorporation to the contrary, and in addition to any other vote required by law, the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the combined voting power of the Voting Stock, voting together as a single class, shall be required to alter, amend, repeal, or adopt any provision inconsistent with this Article SIXTH.

SEVENTH: Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

EIGHTH: A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the GCL. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

NINTH: Subject to the power of the stockholders of the Corporation to adopt, amend, or repeal any Bylaw made by the Board of Directors, the Board of Directors is expressly authorized and empowered to adopt, amend or repeal the Bylaws of the Corporation. The Bylaws of the Corporation shall not be made, repealed, altered, amended, or rescinded by the stockholders of the Corporation except at an annual or special meeting of stockholders by the vote, in addition to any other vote required by law, of the holders of record of not less than sixty-six and two-thirds percent (66-2/3%) of the Voting Stock, considered for purposes of this Article NINTH as one class.

TENTH: Special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the Board of Directors or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as provided in a resolution of the Board of Directors or in the bylaws of the Corporation, include the power to call such meetings. Special meetings of the stockholders of the Corporation may not be called by any other person or persons.

ELEVENTH: No action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders.

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TWELFTH: The Board of Directors, when evaluating any (a) tender offer or invitation for tenders, or proposal to make a tender offer or request or invitation for tenders, by another party, for any equity security of the Corporation or (b) proposal or offer by another party to (i) merge or consolidate the Corporation or any subsidiary of the Corporation with another corporation, (ii) purchase or otherwise acquire all or a substantial portion of the properties or assets of the Corporation or any subsidiary thereof, or sell or otherwise dispose of to the Corporation or any subsidiary thereof all or a substantial portion of the properties or assets of such other party or (iii) liquidate, dissolve, reclassify the securities of, declare an extraordinary dividend of, recapitalize or reorganize the Corporation, shall take into account all factors that the Board of Directors deems relevant, including, without limitation, to the extent so deemed relevant, the potential impact on employees, customers, suppliers, partners, joint venturers and other constituents of the Corporation and the communities in which the Corporation operates.

THIRTEENTH: The provisions set forth in this Article THIRTEENTH and in Article SIXTH (dealing with removal of directors), NINTH (dealing with the alteration of Bylaws by the stockholders), TENTH (dealing with special meetings of the stockholders), and ELEVENTH (dealing with written consent of stockholders) herein may not be repealed or amended in any respect, and no article imposing cumulative voting in the election of directors may be added, unless such action is approved by the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the Voting Stock, considered for purposes of this Article THIRTEENTH as one class. The voting requirements contained in Article SIXTH, Article NINTH and this Article THIRTEENTH shall be in addition to the voting requirements imposed by law, other provisions of this Certificate of Incorporation, or any certificate of designation providing for the creation and issuance of Preferred Stock preferences in favor of certain classes or series of classes of shares of the Corporation.

FOURTEENTH: The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

IN WITNESS WHEREOF, I, the undersigned, being the Incorporator hereinabove stated, set my hand this 7th day of January, 2002.

/s/ B. P. Margherita

B. P. Margherita,
Incorporator

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EXHIBIT 3.2

BYLAWS

OF

SYNAPTICS INCORPORATED

ADOPTED AS OF JANUARY 8, 2002

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BYLAWS
OF
SYNAPTICS INCORPORATED

ARTICLE I
OFFICES

SECTION 1.1 PRINCIPAL OFFICE. The registered office of SYNAPTICS INCORPORATED (the "Corporation") shall be 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

SECTION 1.2 OTHER OFFICES. The Corporation may have offices also at the other places within and without the State of Delaware as the board of directors may from time to time determine or as the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

SECTION 2.1 PLACE OF MEETINGS. Meetings of stockholders shall be held at the place, within or without the State of Delaware, as shall be designated from time to time by the board of directors.

SECTION 2.2 ANNUAL MEETINGS. Annual meetings of stockholders shall, unless otherwise provided by the board of directors, be held on the second Thursday in May of each calendar year, if not a legal holiday, and if a legal holiday, then on the next full business day following, at 10:00 a.m., at which time they shall elect a board of directors and transact the other business as may properly be brought before the meeting.

SECTION 2.3 NOTICE OF STOCKHOLDER BUSINESS AND NOMINATIONS.

(A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the board of directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) by or at the direction of the board of directors or (c) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 2.3 is delivered to the secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.3.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 2.3, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and any such proposed business other than the nominations of persons for election to the board of directors must constitute a proper matter for stockholder action. To be timely, a stockholder's

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notice shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

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(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 2.3 to the contrary, in the event that the number of directors to be elected to the board of directors of the Corporation at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.3 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the board of directors or (2) provided that the board of directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.3 is delivered to the secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 2.3. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this Section 2.3 shall be delivered to the secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.3 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.3. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (a) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.3 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such

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stockholder's representation as required by clause (A)(2)(c)(iv) of this Section 2.3) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 2.3, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 2.3, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(2) For purposes of this Section 2.3, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission.

(3) Notwithstanding the foregoing provisions of this Section 2.3, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.3. Nothing in this Section 2.3 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of preferred stock of the Corporation to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

SECTION 2.4 SPECIAL MEETINGS.

(a) Special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the board of directors or by a committee of the board of directors that has been duly designated by the board of directors whose powers and authority, as provided in a resolution of the board of directors or in these Bylaws, include the power to call such meetings, and may not be called by any other person or persons.

(b) The secretary of the Corporation shall give or shall cause to be given notice of special meetings of stockholders in accordance with Section 2.5 hereof.

(c) Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

(d) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a special meeting shall be announced at the meeting by the person presiding over the meeting. The board of directors of the Corporation may to the extent not prohibited by law adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the board of directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the

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board of directors or prescribed by the chairman of the meeting, may to the extent not prohibited by law include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present;
(iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies, or such other persons as the chairman of the meeting shall determine;
(iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the board of directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 2.5 NOTICE AND PURPOSE OF MEETINGS; WAIVER.

(a) Written notice stating the place, date and time of meetings of stockholders and, in case of a special meeting of stockholders, the purpose or purposes for which the meeting is called, shall be delivered to each stockholder of record entitled to vote at the meeting at his or her address of record, at least 10 but not more than 60 days prior to the date of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation.

(b) No action taken at any meeting of stockholders shall be void because the action was not specified as a purpose of the meeting in the applicable notice of the meeting provided the meeting is not a special meeting and if, in the notice of the meeting, it is stated that the purpose of the meeting shall also be to consider all other matters that could properly be brought before the meeting.

SECTION 2.6 VOTING LIST, RIGHT TO EXAMINE. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, as required by applicable law. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders, or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 2.7 ADJOURNMENTS. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the reconvened meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the reconvened meeting, a notice of the reconvened meeting shall be given to each stockholder of record entitled to vote at the meeting.

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SECTION 2.8 QUORUM. Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, at each meeting of stockholders the presence in person or by proxy of the holder of shares of stock having a majority of the votes that could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. If, however, the quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time in the manner provided in Section 2.7 hereof without notice other than the announcement at the meeting that the adjournment is not for more than 30 days and a new record date is not fixed for the adjourned meeting, until a quorum be present or represented. If a quorum shall be present or represented at the adjourned meeting, any business may be transacted that might have been transacted at the original meeting. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock held by it in a fiduciary capacity.

SECTION 2.9 ORGANIZATION.

(a) The chairman of the board, or in his or her absence the president, or in their absence any corporate vice president, shall call to order meetings of stockholders and shall act as chairman of such meetings. The board of directors or, if the board fails to act, the stockholders may appoint any stockholder, director, or officer of the Corporation to act as chairman of any meeting in the absence of the board, the president, and all corporate vice presidents.

(b) The secretary of the Corporation shall act as secretary of all meetings of stockholders, but the chairman of the meeting may appoint any other person to act as secretary of the meeting.

SECTION 2.10 VOTING.

(a) When a quorum is present at any meeting, the affirmative vote of the holders of shares of stock having a majority of the votes that could be cast by the holders of all shares of stock entitled to vote that are present at such meeting, either in person or by proxy, shall decide any question brought before the meeting, unless the question is one upon which by express provision of the statutes, the Certificate of Incorporation, or these Bylaws a different vote is required, in which case the express provision shall govern and control the decision of the question. When a quorum is present at any meeting of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect.

(b) Subject to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of the capital stock having voting power held by the stockholder.

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(c) Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later to date.

(d) The vote on any matter, including the election of directors, need not be by written ballot.

SECTION 2.11 INSPECTORS OF ELECTION.

(a) Before any meeting of stockholders, the board of directors may appoint inspectors of election, who need not be stockholders, to act at that meeting or any adjournment thereof. If inspectors of election are not so appointed, the chairman of the meeting shall appoint inspectors of election upon the demand of any stockholder or his or her proxy present at the meeting and before voting begins. The number of inspectors of election shall be either one, or, upon demand of a stockholder, three, as to be determined in the case of inspectors of election appointed by a vote of the majority of the shares of the voting common stock of the Corporation present and entitled to vote at the meeting, whether in person or by proxy. If there are three inspectors of election, the decision, act, or certification of a majority of those inspectors shall be effective in all respects as the decision, act, or certification of all.

(b) No person who is a candidate for an office to which the election relates may act as an inspector of election.

(c) In case any person appointed as an inspector of election fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors before the meeting is convened, or by the chairman of the meeting during a meeting.

(d) If inspectors of election are appointed pursuant to this
Section 2.11, they shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies. The inspectors of election shall also receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result, and do those other acts as may be proper to conduct and tally the vote or election with fairness to all stockholders.

(e) On request of the chairman of the meeting or of any stockholder or his or her proxy, the inspectors of election shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate setting forth any fact found by them.

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SECTION 2.12 CONSENT OF STOCKHOLDERS IN LIEU OF MEETING. Except as otherwise provided in the Certificate of Incorporation, the holders of common stock of the Corporation may not act without a meeting.

ARTICLE III
BOARD OF DIRECTORS

SECTION 3.1 POWERS. The business and affairs of the Corporation shall be managed by or under the direction of its board of directors which shall exercise all the powers of the Corporation and do all the lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

SECTION 3.2 NUMBER, TERM OF OFFICE AND VACANCIES.

(a) Subject to the provisions of the Certificate of Incorporation, the board of directors shall consist of not fewer than three (3) nor more than fifteen (15) members, the exact number to be determined from time to time by resolution adopted by the affirmative vote of a majority of the entire board of directors. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 3.2(b), and each director shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon written notice to the Corporation. Directors need not be stockholders.

(b) Except as otherwise provided for or fixed pursuant to the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum. No decrease in the number of directors constituting the board of directors shall shorten the term of any incumbent director.

(c) Except as otherwise provided for or fixed pursuant to the Certification of Incorporation, any director or the entire board of directors may be removed from office at any time, only by the affirmative vote of 66-2/3 percent or more of the total voting power of the then outstanding capital stock of the Corporation entitled to vote generally in the election of directors voting together as a single class.

SECTION 3.3 REGULAR AND SPECIAL MEETINGS. The board of directors of the Corporation or any committee thereof may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the board of directors may be held without notice at the time and at the place as shall from time to time be determined by the board of directors. Special meetings of the board of directors may be called by the chairman of the board of directors or the president, and the president or secretary shall call a special meeting upon the request of any two directors. Notice may be given personally, by telephone, facsimile, first class mail or telegram. If given personally, by telephone, facsimile, or telegram, the notice shall be given at least 24 hours prior to the meeting. Notice may be given by mail if it is mailed

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at least five (5) days before the meeting. The notice need not specify the business to be transaction.

SECTION 3.4 QUORUM; INTERESTED DIRECTORS.

(a) At meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business and, except as set forth in the Certificate of Incorporation or in these Bylaws, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(b) No contract or transaction shall be void or voidable solely because the contract or transaction is between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest; nor shall any contract or transaction be void or voidable solely because the director or officer is present at or participates in the meeting of the board of directors or committee thereof which authorizes the contract or transaction, or solely because his, her, or their votes are counted for the purpose; if:

(i) The material facts as to his or her relationship or interest and as to the contract transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(ii) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(iii) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee thereof or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

SECTION 3.5 COMMITTEES.

(a) The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees of the board of directors, each committee to consist of one or more of the directors of the Corporation, which, to the extent provided by law and in the resolution, shall have and may exercise the powers of the board of directors in the

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management of the business and affairs of the Corporation. The committee or committees shall have the name or names as may be determined from time to time by resolution adopted by the board of directors.

(b) Unless the board of directors designates one or more directors as alternate members of any committee, who may replace an absent or disqualified member at any meeting of the committee, the members of any committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the board of directors to act at the meeting in the place of any absent or disqualified member of the committee. At meetings of any committee, a majority of the members or alternate members of the committee shall constitute a quorum for the transaction of business and the act of a majority of members or alternate members present at any meeting at which there is a quorum shall be the act of the committee.

(c) The committees shall keep regular minutes of their proceedings.

SECTION 3.6 ACTION OF DIRECTORS IN LIEU OF MEETING. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the board or of the committee, as the case may be, and the written consent is filed with the minutes of proceedings of the board or committee.

SECTION 3.7 ATTENDANCE VIA TELECOMMUNICATIONS. The members of the board of directors or any committee thereof may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. The participation shall constitute presence in person at the meeting for purposes of determining a quorum and for voting.

SECTION 3.8 COMPENSATION. The directors may be paid their expenses of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as a director. No payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE IV
NOTICE - WAIVERS - MEETINGS

SECTION 4.1 NOTICE, WHAT CONSTITUTES. Whenever written notice is required to be given to any person under the provisions of the Certificate of Incorporation, these Bylaws, or the General Corporation Law of the state of Delaware, as amended from time to time (the "GCL"), it may be given to that person, either personally or by sending a copy thereof through the mail, or by telegraph, charges prepaid, or by facsimile to his or her address appearing on the books of the Corporation, or supplied by him or her in writing to the Corporation for the purpose of notice. Except as otherwise expressly set forth in the Certificate of Incorporation, these Bylaws, or the

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GCL, if the notice is sent by mail it shall be deemed to have been given to the person entitled thereto 48 hours after it is deposited in the United States mail, postage prepaid, return receipt requested, or, if sent by telegraph, 24 hours after it is deposited with a telegraph office for transmission to the person entitled thereto, or, if sent by facsimile, 12 hours after it has been transmitted to the person, as the applicable case may be.

SECTION 4.2 WAIVER OF NOTICE.

(a) Whenever any written notice is required to be given under the provisions of the Certificate of Incorporation, these Bylaws, or the GCL, as amended from time to time, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated herein, shall be deemed equivalent to the giving of the notice.

(b) Attendance of a person (in the case of a stockholder, either in person or by proxy) at any meeting shall constitute a waiver of notice of the meeting, except when a person attends a meeting for the express purpose of objecting to the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE V
OFFICERS

SECTION 5.1 NUMBER, QUALIFICATIONS AND RESIGNATION. The officers of the Corporation shall be chosen by the board of directors at its first meeting, and thereafter after each annual meeting of the stockholders. The officers to be elected shall include a president, a vice president, a secretary and a treasurer. The board of directors may also choose a chief executive officer and one or more vice presidents and additional officers or assistant officers as it may deem advisable. Any number of offices may be held by the same person, except the offices of president and secretary. Officers may, but need not, be directors or stockholders of the Corporation. The board of directors may elect from its membership a chairman of the board of directors and a vice chairman of the board of directors who shall be officers of the Corporation.

SECTION 5.2 TERM OF OFFICE. The officers of the Corporation shall hold office at the pleasure of the board of directors. Each officer shall hold his or her office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer elected or appointed by the board of directors may be removed at any time by the board of directors, with or without cause. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the board of directors.

SECTION 5.3 SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The board of directors may elect any other officers and appoint any committees, employees or other agents as it desires who shall hold their offices for the terms and shall exercise the powers and perform the duties as shall be determined from time to time by the board to be required by the business of the Corporation. The board of directors may delegate to any officer or committee the power to elect subordinate officers and retain or appoint employees or other agents.

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SECTION 5.4 THE PRESIDENT. Unless the board of directors has designated a chief executive officer pursuant to Section 5.10 hereof, the president shall be the chief executive officer of the Corporation, shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the board of directors are carried into effect. The president shall execute on behalf of the Corporation and may affix the seal or cause the seal to be affixed to all instruments requiring the execution, except to the extent the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the Corporation.

SECTION 5.5 THE CORPORATE VICE PRESIDENT. Vice presidents shall only be officers of the Corporation if they are designated as corporate vice presidents. Each corporate vice president shall (a) act under the direction of the president and in the absence or disability of the president shall perform the duties and exercise the powers of the president and (b) perform the other duties and have the other powers as the president or the board of directors may from time to time prescribe. The board of directors may designate one or more executive corporate vice presidents or may otherwise specify the order of seniority of the corporate vice presidents, and in that event, the duties and powers of the president shall descend to the corporate vice presidents in the specified order of seniority.

SECTION 5.6 THE SECRETARY. The secretary shall act under the direction of the president. Subject to the direction of the president, the secretary shall attend all meetings of the board of directors and all meetings of stockholders and record the proceedings in a book to be kept for that purpose and shall perform like duties for the committees designated by the board of directors when required. The secretary shall give, or cause to be given, notice of all meetings of stockholders and special meetings of the board of directors, and shall perform the other duties as may be prescribed by the president or the board of directors or as are incident to the secretary's office. The secretary shall keep in safe custody the seal of the Corporation, if one exists, and cause it to be affixed to any instrument requiring it.

SECTION 5.7 THE ASSISTANT SECRETARIES. The assistant secretaries in the order of their seniority, unless otherwise determined by the president or the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform the other duties and have the other powers as the president or the board of directors may from time to time prescribe.

SECTION 5.8 THE TREASURER. The treasurer shall act under the direction of the president. Subject to the direction of the president, the treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in the depositories as may be designated by the board of directors. The treasurer shall disburse the funds of the Corporation as may be ordered by the president or the board of directors, taking proper vouchers for the disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the Corporation. The treasurer shall perform such other

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duties as may be prescribed by the president or the board of directors or as are incident to his or her office.

SECTION 5.9 THE ASSISTANT TREASURERS. The assistant treasurers in the order of their seniority, unless otherwise determined by the president or the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform the other duties and have the other powers as the president or the board of directors may from time to time prescribe.

SECTION 5.10 THE CHIEF EXECUTIVE OFFICER. The board of directors may designate a chief executive officer who shall perform all other duties as from time to time may be requested of him or her by the board of directors. In the absence of the designation, the president shall serve as the chief executive officer.

SECTION 5.11 THE CHAIRMAN OF THE BOARD. The chairman of the board of directors, or in his or her absence, the president, shall preside at all meetings of the stockholders and the board of directors, and shall perform all other duties as may from time to time be requested of him or her by the board of directors.

ARTICLE VI
CERTIFICATES OF STOCK

SECTION 6.1 ISSUANCE. The interest of each stockholder in the Corporation shall be evidenced by certificates for shares of stock. The share certificates of the Corporation shall be numbered and registered in the share ledger and transfer books of the Corporation as they are issued. They shall be signed by the president or a vice president and by the secretary or an assistant secretary or the treasurer or an assistant treasurer, and may bear the corporate seal, which may be a facsimile, engraved or imprinted, but where the certificate is signed by a transfer agent or registrar, the signature of any corporate officer upon the certificate may be a facsimile, engraved, or printed. In case any officer who has signed or whose facsimile signature has been placed upon any share certificate shall have ceased to be an officer because of death, resignation, or otherwise before the certificate is issued, it may be issued by the Corporation with the same effect as if the officer had not ceased to be an officer because of death, resignation, or otherwise as of the date of its issue.

SECTION 6.2 TRANSFERS. Transfers of shares of the capital stock of the Corporation shall be made on the books of the Corporation by the registered owner thereof, or by his or her duly authorized attorney, with a transfer clerk or transfer agent appointed as provided in Section 6.6 hereof, and upon surrender of the certificate or certificates for the shares properly endorsed and with all taxes thereon paid.

SECTION 6.3 SHARE CERTIFICATES. Certificates for shares of the Corporation shall be in the form provided by statute and approved by the board of directors. The share record books and the blank share certificate books shall be kept by the secretary of the Corporation or by any agency designated by the board of directors for that purpose. Every certificate exchanged or

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returned to the Corporation shall be marked "Canceled," with the date of cancellation noted thereon.

SECTION 6.4 RECORD HOLDER OF SHARES. The Corporation shall be entitled to treat the person in whose name any share or shares of the Corporation stand on the books of the Corporation as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, the share or shares on the part of any other person. However, if any transfer of shares is made only for the purpose of furnishing collateral security, and that fact is made known to the secretary of the Corporation, or to the Corporation's transfer clerk or transfer agent, an entry of the transfer shall record that fact.

SECTION 6.5 LOST, DESTROYED, MUTILATED OR STOLEN CERTIFICATES. The holder of any shares of the Corporation shall immediately notify the Corporation of any loss, destruction, mutilation, or theft of the certificate therefor, and the board of directors may, in its discretion, cause a new certificate or certificates to be issued to the holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate, or, in case of loss, destruction or theft of the certificate, upon satisfactory proof of the loss, destruction or theft, and, if the board of directors shall so determine, the submission of a properly executed lost security affidavit and indemnity agreement, or the deposit of a bond in the form and in the sum, and with the surety or sureties, as the board of directors directs.

SECTION 6.6 TRANSFER AGENT AND REGISTRAR. The board of directors may appoint one or more transfer agents or transfer clerks and one or more registrars, and may require all certificates for shares to bear the signature or signatures of any of them.

SECTION 6.7 RECORD DATE. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall, unless otherwise required by law: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof shall not be more than 60 nor less than 10 days before the date of such meeting; and (b) in the case of any other action, shall not be more than 60 days prior to such other action. If no record date is fixed, (x) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is to be held; and (y) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

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ARTICLE VII
RIGHT TO INDEMNIFICATION

SECTION 7.1 RIGHT TO INDEMNIFICATION. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise, or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The Corporation shall not be obligated to indemnify an indemnitee (a) with respect to a proceeding (or part thereof) initiated or brought voluntarily by such indemnitee and not by way of defense; (b) for any amounts paid in settlement of an action indemnified against by the Corporation without the proper written consent of the Corporation; or (c) in connection with any event in which the indemnitee did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation.

SECTION 7.2 PREPAYMENT OF EXPENSES. The Corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition; provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article VII or otherwise.

SECTION 7.3 CLAIMS. If a claim for indemnification or payment of expenses under this Article VII is not paid in within sixty (60) days after a written claim therefor by the indemnitee has been received by the Corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

SECTION 7.4 NONEXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VII shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors, or otherwise.

SECTION 7.5 OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify and advance expenses to any person who was or is serving at its request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, enterprise, or nonprofit entity shall be reduced by any amount such person may collect as indemnification or

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advancement from such other corporation, partnership, joint venture, trust, enterprise, or nonprofit enterprise.

SECTION 7.6 AMENDMENT OR REPEAL. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII
AMENDMENTS

In addition to any affirmative vote required by law, any alteration, amendment, repeal, or rescission of any provision of these Bylaws may be adopted
(a) by the board of directors; or (b) by the stockholders only at an annual or special meeting by the vote of the holders of record of not less than sixty-six and two-thirds percent (66-2/3%) of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE IX
MISCELLANEOUS

SECTION 9.1 RESERVES. There may be set aside out of any funds of the Corporation available for dividends the sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for the purchase of additional property, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any reserve.

SECTION 9.2 AUTHORIZED SIGNER. All checks or demands for money and notes of the Corporation shall be signed by the officer or officers or the other person or persons as the board of directors may from time to time designate by resolution.

SECTION 9.3 FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the board of directors.

SECTION 9.4 CORPORATE SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or in any other manner reproduced.

SECTION 9.5 SEVERABILITY. If any provision of these Bylaws shall be held to be invalid, illegal, or unenforceable for any reason whatsoever, the validity, legality, and enforceability of the remaining provisions of these Bylaws shall not in any way be affected or impaired thereby, and to the fullest extent possible the provisions of these Bylaws shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal, or unenforceable.

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Certification

I hereby certify that the foregoing Bylaws were adopted at a meeting of the board of directors on January 8, 2002.

/s/ Francis Lee

Francis Lee,
Secretary

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EXHIBIT 10.7

SYNAPTICS INCORPORATED

AMENDED AND RESTATED
2001 EMPLOYEE STOCK PURCHASE PLAN
(AS AMENDED THROUGH FEBRUARY 20, 2002)

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EXHIBIT 10.7

SYNAPTICS INCORPORATED

AMENDED AND RESTATED
2001 EMPLOYEE STOCK PURCHASE PLAN

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SYNAPTICS INCORPORATED

AMENDED AND RESTATED
2001 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of the Plan is to provide incentive for present and future employees of the Company and any Designated Subsidiary to acquire a proprietary interest (or increase an existing proprietary interest) in the Company through the purchase of Common Stock. It is the Company's intention that the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. Accordingly, the provisions of the Plan shall be administered, interpreted and construed in a manner consistent with the requirements of that section of the Code.

2. Definitions.

(a) "Applicable Percentage" means the percentage specified in
Section 8, subject to adjustment by the Committee as provided in Section 8.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto.

(d) "Committee" means the committee appointed by the Board to administer the Plan as described in Section 13 of the Plan or, if no such Committee is appointed, the Board.

(e) "Common Stock" means the Company's common stock, par value $.001 per share.

(f) "Company" means Synaptics Incorporated, a Delaware corporation.

(g) "Compensation" means, with respect to each Participant for each pay period, the full base salary and overtime paid to such Participant by the Company or a Designated Subsidiary. Except as otherwise determined by the Committee, "Compensation" does not include: (i) bonuses or commissions; (ii) any amounts contributed by the Company or a Designated Subsidiary to any pension plan; (iii) any automobile or relocation allowances (or reimbursement for any such expenses); (iv) any amounts paid as a starting bonus or finder's fee; (v) any amounts realized from the exercise of any stock options or incentive awards;
(vi) any amounts paid by the Company or a Designated Subsidiary for other fringe benefits, such as health and welfare, hospitalization and group life insurance benefits, or perquisites, or paid in lieu of such benefits, or; (vii) other similar forms of extraordinary compensation.

(h) "Continuous Status as an Employee" means the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company or the Designated Subsidiary that employs the Employee, provided that such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is guaranteed by contract or statute.

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(i) "Designated Subsidiaries" means the Subsidiaries that have been designated by the Board from time to time in its sole discretion as eligible to participate in the Plan.

(j) "Employee" means any person, including an Officer, whose customary employment with the Company or one of its Designated Subsidiaries is at least twenty (20) hours per week and more than five (5) months in any calendar year.

(k) "Entry Date" means the first day of each Exercise Period.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Exercise Date" means the last Trading Day ending on or before each June 30 and December 31.

(n) "Exercise Period" means, for any Offering Period, each period commencing on the Offering Date and on the day after each Exercise Date, and terminating on the immediately following Exercise Date.

(o) "Exercise Price" means the price per share of Common Stock offered in a given Offering Period determined as provided in Section 8.

(p) "Fair Market Value" means, with respect to a share of Common Stock, the Fair Market Value as determined under Section 7(b).

(q) "First Offering Date" means the commencement date of the initial public offering contemplated by the Registration Statement on Form S-1 filed by the Company with the Securities and Exchange Commission.

(r) "Offering Date" means the first Trading Day of each Offering Period; provided, that in the case of an individual who becomes eligible to become a Participant under Section 3 after the first Trading Day of an Offering Period, the term "Offering Date" shall mean the first Trading Day of the Exercise Period coinciding with or next succeeding the day on which that individual becomes eligible to become a Participant. Options granted after the first day of an Offering Period will be subject to the same terms as the options granted on the first Trading Day of such Offering Period except that they will have a different grant date (thus, potentially, a different exercise price) and, because they expire at the same time as the options granted on the first Trading Day of such Offering Period, a shorter term.

(s) "Offering Period" means, subject to adjustment as provided in
Section 4, (i) with respect to the first Offering Period, the period beginning on the First Offering Date and ending on December 31, 2003, and (ii) with respect to each Offering Period thereafter, the period beginning on the January 1 immediately following the end of the previous Offering Period and ending on the December 31 which is 24 months thereafter.

(t) "Officer" means a person who is an officer of the Company within the meaning of Section 16 under the Exchange Act and the rules and regulations promulgated thereunder.

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(u) "Participant" means an Employee automatically enrolled in the Plan pursuant to Section 5(a) hereof, or an Employee who has elected to participate in the Plan by filing an enrollment agreement with the Company as provided in Section 5(b) hereof.

(v) "Plan" shall mean this Amended and Restated Synaptics Incorporated 2001 Employee Stock Purchase Plan.

(w) "Plan Contributions" means, with respect to each Participant, the lump sum cash transfers, if any, made by the Participant to the Plan pursuant to Section 5(a) hereof, plus the after-tax payroll deductions, if any, withheld from the Compensation of the Participant and contributed to the Plan for the Participant as provided in Section 6 hereof, and any other amounts contributed to the Plan for the Participant in accordance with the terms of the Plan.

(x) "Subsidiary" shall mean any corporation, domestic or foreign, of which the Company owns, directly or indirectly, 50% or more of the total combined voting power of all classes of stock, and that otherwise qualifies as a "subsidiary corporation" within the meaning of Section 424(f) of the Code.

(y) "Trading Day" shall mean a day on which the national stock exchanges and the Nasdaq system are open for trading.

3. Eligibility.

(a) Any Employee who has completed at least three (3) months of employment with the Company or any Designated Subsidiary and who is an Employee as of the Offering Date of a given Offering Period shall be eligible to become a Participant as of any Entry Date within that Offering Period under the Plan, subject to the requirements of Section 5(a) and the limitations imposed by
Section 423(b) of the Code; provided, however, that any Employee who is an Employee as of the First Offering Date shall be eligible to become a Participant as of such First Offering Date.

(b) Notwithstanding any provision of the Plan to the contrary, no Participant shall be granted an option under the Plan (i) to the extent that if, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans of the Company and its Subsidiaries intended to qualify under Section 423 of the Code to accrue at a rate which exceeds $25,000 of fair market value of stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. Offering Periods. The Plan shall generally be implemented by a series of Offering Periods. The first Offering Period shall commence on the First Offering Date and end on December 31, 2003, and succeeding Offering Periods shall commence on the January 1 immediately following the end of the previous Offering Period and end on the December 31 which is 24 months thereafter. If, however, the Fair Market Value of a share of Common Stock on any Exercise Date (except the final scheduled Exercise Date of any Offering Period) is lower than the Fair Market Value of a share of Common Stock on the Offering Date, then the Offering Period in progress shall end immediately

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following the close of trading on such Exercise Date, and a new Offering Period shall begin on the next subsequent January 1 or July 1, as applicable, and shall extend for a 24 month period ending on December 31 or June 30, as applicable. Subsequent Offering Periods shall commence on the January 1 or July 1, as applicable, immediately following the end of the previous Offering Period and shall extend for a 24 month period ending on December 31 or June 30, as applicable. The Committee shall have the power to make other changes to the duration and/or the frequency of Offering Periods with respect to future offerings if such change is announced at least five (5) days prior to the scheduled beginning of the first Offering Period to be affected.

5. Participation.

(a) All Employees who are eligible Employees as of the First Offering Date shall automatically become Participants in the Plan as of the First Offering Date, and shall be eligible to purchase shares of the Common Stock on the Exercise Date of the first Exercise Period of the initial Offering Period in an amount equal to the lesser of (i) the aggregate purchase price for one thousand five hundred (1,500) shares of Common Stock or (ii) fifteen (15%) percent of the Compensation that the Participant receives during the first Exercise Period of the initial Offering Period (subject to the restrictions contained in Section 3(b) hereof), unless the Participant elects a lower level of participation as provided under Section 5(c) hereof. Such purchase shall be made by a direct lump sum cash transfer by the Participant to the Plan, unless the Participant files a payroll deduction election in accordance with Section
5(c), or withdraws from the Plan pursuant to Section 11 hereof. No enrollment agreement or payroll deduction election need be filed by a Participant with the Company in order to participate in the initial Offering Period.

(b) Employees meeting the eligibility requirements of Section 3 hereof after the First Offering Date may elect to participate in the Plan commencing on any Entry Date by completing an enrollment agreement on the form provided by the Company and filing the enrollment agreement with the Company on or prior to such Entry Date, unless a later time for filing the enrollment agreement is set by the Committee for all eligible Employees with respect to a given offering. The enrollment agreement shall contain a payroll deduction election setting forth the percentage of the Participant's Compensation that is to be withheld by payroll deduction pursuant to the Plan.

(c) No payroll deductions shall be made (and no payroll deduction elections shall be accepted) by the Company for Participants during the first Exercise Period of the initial Offering Period prior to the time that a registration statement with respect to the shares of Common Stock being offered under the Plan has been filed with the Securities Exchange Commission on Form S-8, and is effective. Once the Form S-8 is effective, a Participant may, but need not, make a payroll deduction election with respect to the first Exercise Period of the initial Offering Period by filing an enrollment agreement containing the payroll deduction election with the Company. A Participant may elect a lower level of participation than that provided in Section 5(a) hereof with respect to the first Exercise Period of the initial Offering Period at that time. If a payroll deduction is elected under this Section 5(c), payroll deductions may commence as early as with the first pay period beginning after the First Offering Date. Subject to the participation level specified in Section
5(a), the rate of payroll deduction during the first Exercise Period of the initial Offering Period may exceed the maximum permitted rate under Section 6(a) hereof to make up for the payroll deductions, if any, which would otherwise have been made prior to the effectiveness of the Form S-8 with respect to the

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Plan. If a payroll deduction election is made under this Section 5(c), payroll deductions shall continue at the rate elected by the Participant under Section
6(a) for subsequent Exercise Periods, unless the Participant makes a change permitted under Section 6(b), or withdraws from the Plan under Section 11.

(d) For all Exercise Periods subsequent to the first Exercise Period of the initial Offering Period, purchases generally must be made via payroll deduction. Participants in the first Exercise Period of the initial Offering Period who do not make a payroll deduction election pursuant to Section 5(c) must file an enrollment form containing a payroll deduction election with respect to subsequent Exercise Periods with the Company prior to the commencement of a subsequent Exercise Period (unless a later time for filing is set by the Administrator for all Participants) in order to make further purchases under the Plan. Payroll deductions for Participants required to file a payroll deduction election under this Section 5(d) shall commence on the first payroll of the subsequent Exercise Period and shall end on the last payroll in the Offering Period, unless sooner terminated by the Participant as provided in
Section 11.

(e) Except as otherwise determined by the Committee under rules applicable to all Participants, payroll deductions for Participants enrolling in the Plan after the First Offering Date under Section 5(b) shall commence on the first payroll following the Entry Date on which the Participant files an enrollment agreement in accordance with Section 5(b) and shall end on the last payroll in the Offering Period, unless sooner terminated by the Participant as provided in Section 11.

(f) Unless a Participant elects otherwise prior to the last Exercise Date of an Offering Period, including the last Exercise Date prior to termination in the case of an Offering Period terminated by operation of the rule contained in Section 4 hereof, such Participant shall be deemed (i) to have elected to participate in the immediately succeeding Offering Period (and, for purposes of such Offering Period such Participant's "Entry Date" shall be deemed to be the first day of such Offering Period) and (ii) to have authorized the same payroll deduction for such immediately succeeding Offering Period as was in effect for such Participant immediately prior to the commencement of such succeeding Offering Period.

6. Plan Contributions.

(a) Except with respect to the first Exercise Period of the initial Offering Period, and except as otherwise authorized by the Committee pursuant to
Section 6(d) below, all contributions to the Plan shall be made only by payroll deductions. At the time a Participant files the enrollment agreement with respect to an Offering Period, the Participant may authorize payroll deductions to be made on each payroll date during the portion of the Offering Period that he or she is a Participant in an amount not less than 1% and not more than 15% of the Participant's Compensation on each payroll date during the portion of the Offering Period that he or she is a Participant (or subsequent Offering Periods as provided in Section 5(f)). The amount of payroll deductions shall be a whole percentage (i.e., 1%, 2%, 3%, etc.) of the Participant's Compensation.

(b) A Participant may discontinue his or her participation in the Plan as provided in Section 11, or may decrease or increase the rate or amount of his or her payroll deductions during such Offering Period (within the limitations of Section 5(c) and 6(a) above) by completing and filing with the Company a new enrollment agreement authorizing a change in the rate or amount of payroll

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deductions; provided, that a Participant may not change the rate or amount of his or her payroll deductions more than once in any Exercise Period. The change in rate or amount shall be effective with the first full payroll period following ten (10) business days after the Company's receipt of the new enrollment agreement.

(c) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b) hereof, a Participant's payroll deductions may be decreased to 0% at such time during any Exercise Period which is scheduled to end during the current calendar year that the aggregate of all payroll deductions accumulated with respect to such Exercise Period and any other Exercise Period ending within the same calendar year are equal to the product of $25,000 multiplied by the Applicable Percentage for the calendar year. Payroll deductions shall recommence at the rate provided in the Participant's enrollment agreement at the beginning of the following Exercise Period which is scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 11.

(d) Notwithstanding anything to the contrary in the foregoing, but subject to the limitations set forth in Section 3(b), the Committee may permit Participants to make after-tax contributions to the Plan at such times and subject to such terms and conditions as the Committee may in its discretion determine. All such additional contributions shall be made in a manner consistent with the provisions of Section 423 of the Code or any successor thereto, and shall be held in Participants' accounts and applied to the purchase of shares of Common Stock pursuant to options granted under this Plan in the same manner as payroll deductions contributed to the Plan as provided above.

(e) All Plan Contributions made for a Participant shall be deposited in the Company's general corporate account and shall be credited to the Participant's account under the Plan. No interest shall accrue or be credited with respect to a Participant's Plan Contributions. All Plan Contributions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate or otherwise set apart such Plan Contributions from any other corporate funds.

7. Grant of Option.

(a) On a Participant's Entry Date, subject to the limitations set forth in Sections 3(b) and 12(a), the Participant shall be granted an option to purchase on each subsequent Exercise Date during the Offering Period in which such Entry Date occurs (at the Exercise Price determined as provided in Section 8 below) up to a number of shares of Common Stock determined by dividing such Participant's Plan Contributions accumulated prior to such Exercise Date and retained in the Participant's account as of such Exercise Date by the Exercise Price; provided, that the maximum number of shares a Participant may purchase during any Exercise Period shall be One Thousand Five Hundred (1,500) shares. The Fair Market Value of a share of Common Stock shall be determined as provided in Section 7(b).

(b) The Fair Market Value of a share of Common Stock on a given date shall be determined by the Committee in its discretion; provided, that if there is a public market for the Common Stock, the Fair Market Value per share shall be either (i) the closing price of the Common Stock on such date (or, in the event that the Common Stock is not traded on such date, on the

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immediately preceding trading date), as reported by the National Association of Securities Dealers Automated Quotation (Nasdaq) National Market System, (ii) if such price is not reported, the average of the bid and asked prices for the Common Stock on such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date), as reported by Nasdaq, (iii) in the event the Common Stock is listed on a stock exchange, the closing price of the Common Stock on such exchange on such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date), as reported in The Wall Street Journal, or (iv) if no such quotations are available for a date within a reasonable time prior to the valuation date, the value of the Common Stock as determined by the Committee using any reasonable means. For purposes of the First Offering Date, the Fair Market Value of a share of Common Stock shall be the Price to Public as set forth in the final prospectus filed by the Company with the Securities and Exchange Commission pursuant to Rule 424 under the Securities Act of 1933, as amended.

8. Exercise Price. The Exercise Price per share of Common Stock offered to each Participant in a given Offering Period shall be the lower of: (i) the Applicable Percentage of the greater of (A) the Fair Market Value of a share of Common Stock on the Offering Date or (B) the Fair Market Value of a share of Common Stock on the Entry Date on which the Employee elects to become a Participant within the Offering Period or (ii) the Applicable Percentage of the Fair Market Value of a share of Common Stock on the Exercise Date. The Applicable Percentage with respect to each Offering Period shall be 85%, unless and until such Applicable Percentage is increased by the Committee, in its sole discretion, provided that any such increase in the Applicable Percentage with respect to a given Offering Period must be established not less than fifteen (15) days prior to the Offering Date thereof.

9. Exercise of Options. Unless the Participant withdraws from the Plan as provided in Section 11, the Participant's option for the purchase of shares will be exercised automatically on each Exercise Date, and the maximum number of full shares subject to such option shall be purchased for the Participant at the applicable Exercise Price with the accumulated Plan Contributions then credited the Participant's account under the Plan. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by the Participant.

10. Delivery. As promptly as practicable after each Exercise Date, the Company shall arrange for the delivery to each Participant (or the Participant's beneficiary), as appropriate, or to a custodial account for the benefit of each Participant (or the Participant's beneficiary) as appropriate, of a certificate representing the shares purchased upon exercise of such Participant's option. Any amount remaining to the credit of a Participant's account after the purchase of shares by such Participant on an Exercise Date, or which is insufficient to purchase a full share of Common Stock, shall be carried over to the next Exercise Period if the Participant continues to participate in the Plan or, if the Participant does not continue to participate, shall be returned to the Participant.

11. Withdrawal; Termination of Employment.

(a) A Participant may withdraw from the Plan at any time after the Company's registration statement on Form S-8 with respect to the Plan is effective by giving written notice to the Company. All of the Plan Contributions credited to the Participant's account, if any, and not yet invested in Common Stock will be paid to the Participant as soon as administratively practicable after receipt of the Participant's notice of withdrawal, the Participant's option to purchase shares pursuant

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to the Plan automatically will be terminated, and no further payroll deductions, if any have been authorized, for the purchase of shares will be made for the Participant's account. Payroll deductions will not resume on behalf of a Participant who has withdrawn from the Plan (a "Former Participant") unless the Former Participant enrolls in a subsequent Offering Period in accordance with Section 5(b).

(b) Upon termination of the Participant's Continuous Status as an Employee prior to any Exercise Date for any reason, including retirement or death, the Plan Contributions credited to the Participant's account and not yet invested in Common Stock will be returned to the Participant or, in the case of death, to the Participant's beneficiary as determined pursuant to Section 14, and the Participant's option to purchase shares under the Plan will automatically terminate.

(c) A Participant's withdrawal from an Offering Period will not have any effect upon the Participant's eligibility to participate in succeeding Offering Periods or in any similar plan which may hereafter be adopted by the Company.

12. Stock.

(a) Subject to adjustment as provided in Section 17, the maximum number of shares of the Company's Common Stock that shall be made available for sale under the Plan shall be One Million (1,000,000) shares, plus an automatic annual increase on the first day of each of the Company's fiscal years beginning in 2002 and ending in 2011 equal to the lesser of (i) Five Hundred Thousand (500,000) shares, (ii) 1% of all shares of Common Stock outstanding on the last day of the immediately preceding fiscal year, or (iii) a lesser amount determined by the Board. Shares of Common Stock subject to the Plan may be newly issued shares or shares reacquired in private transactions or open market purchases. If and to the extent that any right to purchase reserved shares shall not be exercised by any Participant for any reason or if such right to purchase shall terminate as provided herein, shares that have not been so purchased hereunder shall again become available for the purpose of the Plan unless the Plan shall have been terminated, but all shares sold under the Plan, regardless of source, shall be counted against the limitation set forth above.

(b) A Participant will have no interest or voting right in shares covered by his option until such option has been exercised.

(c) Shares to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse, as requested by the Participant.

13. Administration.

(a) The Plan shall be administered by the Committee. The Committee shall have the authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The administration, interpretation, or application of the Plan by the Committee shall be final, conclusive and binding upon all persons.

(b) Notwithstanding the provisions of Subsection (a) of this Section 13, in the event that Rule 16b-3 promulgated under the Exchange Act or any successor provision thereto ("Rule

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16b-3") provides specific requirements for the administrators of plans of this type, the Plan shall only be administered by such body and in such a manner as shall comply with the applicable requirements of Rule 16b-3. Unless permitted by Rule 16b-3, no discretion concerning decisions regarding the Plan shall be afforded to any person that is not "disinterested" as that term is used in Rule 16b-3.

14. Designation of Beneficiary.

(a) A Participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the Participant's account under the Plan in the event of the Participant's death subsequent to an Exercise Date on which the Participant's option hereunder is exercised but prior to delivery to the Participant of such shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of the Participant's death prior to the exercise of the option.

(b) A Participant's beneficiary designation may be changed by the Participant at any time by written notice. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

15. Transferability. Neither Plan Contributions credited to a Participant's account nor any rights to exercise any option or receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution, or as provided in Section 14). Any attempted assignment, transfer, pledge or other distribution shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Section 11.

16. Participant Accounts. Individual accounts will be maintained for each Participant in the Plan to account for the balance of his Plan Contributions and options issued and shares purchased under the Plan. Statements of account will be given to Participants semi-annually in due course following each Exercise Date, which statements will set forth the amounts of payroll deductions, the per share purchase price, the number of shares purchased and the remaining cash balance, if any.

17. Adjustments Upon Changes in Capitalization; Corporate Transactions.

(a) If the outstanding shares of Common Stock are increased or decreased, or are changed into or are exchanged for a different number or kind of shares, as a result of one or more reorganizations, restructurings, recapitalizations, reclassifications, stock splits, reverse stock splits, stock dividends or the like, upon authorization of the Committee, appropriate adjustments shall be made in the number and/or kind of shares, and the per-share option price thereof, which may be issued in the aggregate and to any Participant upon exercise of options granted under the Plan.

(b) In the event of the proposed dissolution or liquidation of the Company, the Offering Period will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. In the event of a proposed sale of all or substantially

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all of the Company's assets, or the merger of the Company with or into another corporation (each, a "Sale Transaction"), each option under the Plan shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless the Committee determines, in the exercise of its sole discretion and in lieu of such assumption or substitution, to shorten the Exercise Period then in progress by setting a new Exercise Date (the "New Exercise Date"). If the Committee shortens the Exercise Period then in progress in lieu of assumption or substitution in the event of a Sale Transaction, the Committee shall notify each Participant in writing, at least ten (10) days prior to the New Exercise Date, that the exercise date for such Participant's option has been changed to the New Exercise Date and that such Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Plan as provided in Section 11. For purposes of this Section 17(b), an option granted under the Plan shall be deemed to have been assumed if, following the Sale Transaction, the option confers the right to purchase, for each share of option stock subject to the option immediately prior to the Sale Transaction, the consideration (whether stock, cash or other securities or property) received in the Sale Transaction by holders of Common Stock for each share of Common Stock held on the effective date of the Sale Transaction (and if such 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, that if the consideration received in the Sale Transaction was not solely common stock of the successor corporation or its parent (as defined in Section 424(e) of the Code), the Committee may, with the consent of the successor corporation and the Participant, provide for the consideration to be received upon exercise of the option to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by the holders of Common Stock in the Sale Transaction.

(c) In all cases, the Committee shall have sole discretion to exercise any of the powers and authority provided under this Section 17, and the Committee's actions hereunder shall be final and binding on all Participants. No fractional shares of stock shall be issued under the Plan pursuant to any adjustment authorized under the provisions of this Section 17.

18. Amendment of the Plan. The Board or the Committee may at any time, or from time to time, amend the Plan in any respect; provided, that (i) no such amendment may make any change in any option theretofore granted which adversely affects the rights of any Participant and (ii) the Plan may not be amended in any way that will cause rights issued under the Plan to fail to meet the requirements for employee stock purchase plans as defined in Section 423 of the Code or any successor thereto. To the extent necessary to comply with Rule 16b-3 under the Exchange Act, Section 423 of the Code, or any other applicable law or regulation), the Company shall obtain shareholder approval of any such amendment.

19. Termination of the Plan.

The Plan and all rights of Employees hereunder shall terminate on the earliest of:

(a) the Exercise Date that Participants become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase under the Plan;

(b) such date as is determined by the Board in its discretion; or

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(c) the last Exercise Date immediately preceding the tenth (10th) anniversary of the Plan's effective date.

In the event that the Plan terminates under circumstances described in Section 19(a) above, reserved shares remaining as of the termination date shall be sold to Participants on a pro rata basis.

20. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Effective Date. Subject to adoption of the Plan by the Board, the Plan shall become effective on the First Offering Date. The Board shall submit the Plan to the shareholders of the Company for approval within twelve months after the date the Plan is adopted by the Board.

22. Conditions Upon Issuance of Shares.

(a) The Plan, the grant and exercise of options to purchase shares under the Plan, and the Company's obligation to sell and deliver shares upon the exercise of options to purchase shares shall be subject to compliance with all applicable federal, state and foreign laws, rules and regulations and the requirements of any stock exchange on which the shares may then be listed.

(b) The Company may make such provisions as it deems appropriate for withholding by the Company pursuant to federal or state tax laws of such amounts as the Company determines it is required to withhold in connection with the purchase or sale by a Participant of any Common Stock acquired pursuant to the Plan. The Company may require a Participant to satisfy any relevant tax requirements before authorizing any issuance of Common Stock to such Participant.

23. Expenses of the Plan. All costs and expenses incurred in administering the Plan shall be paid by the Company, except that any stamp duties or transfer taxes applicable to participation in the Plan may be charged to the account of such Participant by the Company.

24. No Employment Rights. The Plan does not, directly or indirectly, create any right for the benefit of any employee or class of employees to purchase any shares under the Plan, or create in any employee or class of employees any right with respect to continuation of employment by the Company, and it shall not be deemed to interfere in any way with the Company's right to terminate, or otherwise modify, an employee's employment at any time.

25. Applicable Law. The laws of the State of California shall govern all matter relating to this Plan except to the extent (if any) superseded by the laws of the United States.

26. Additional Restrictions of Rule 16b-3. The terms and conditions of options granted hereunder to, and the purchase of shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b-3. This Plan shall be deemed to contain, and such options shall contain, and the shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

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EXHIBIT 10.17

FORM OF
INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement"), dated as of _____, 20__, is made by and between Synaptics Incorporated, a Delaware corporation (the "Company"), and the undersigned who is either a director, an officer, or both director and officer of the Company (the "Indemnitee").

RECITALS

A. The Company is aware that competent and experienced persons are reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance and/or indemnification, due to the exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The Board of Directors of the Company (the "Board") has concluded that, to retain and attract talented and experienced individuals to serve as officers and directors of the Company, it is necessary for the Company contractually to indemnify officers and directors and to assume for itself maximum liability for expenses and damages in connection with claims against such officers and directors in connection with their service to the Company;

C. Section 145 of the General Corporation Law of Delaware, under which the Company is organized ("Section 145"), empowers the Company to indemnify by agreement its present and former officers, directors, employees, and agents and persons who serve, at the request of the Company, as directors, officers, employees, or agents of other corporations, partnerships, joint ventures, trusts, or other enterprises and expressly provides that the indemnification provided by Section 145 is not exclusive; and

D. The Company desires and has requested the Indemnitee to serve or continue to serve as a director or officer of the Company free from undue concern for claims for damages arising out of or related to such services to the Company.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

1.1 AGENT. For the purposes of this Agreement, "agent" of the Company means any person who is or was a director or officer of the Company or a subsidiary of the Company; or is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise or an affiliate of the Company; or was a director or officer of another enterprise or affiliate of the Company at the request of, for the convenience of, or to represent the interests of such predecessor corporation. The term "enterprise" includes any employee benefit plan of the Company, its subsidiaries, affiliates, and predecessor corporations.

1.2 EXPENSES. For the purposes of this Agreement, "expenses" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements and other out-of-pocket costs) actually and reasonably incurred by the Indemnitee in connection with the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement, Section 145 or otherwise; provided, however, that expenses shall not include any judgments, fines, ERISA excise taxes or penalties or amounts paid in settlement of a proceeding.

1.3 PROCEEDING. For the purposes of this Agreement, "proceeding" means any threatened, pending, or completed action, suit, or other proceeding, whether civil, criminal, administrative, investigative, or any other type whatsoever.

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1.4 SUBSIDIARY. For purposes of this Agreement, "subsidiary" means any corporation of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company, by the Company and one or more of its subsidiaries, or by one or more of the Company's subsidiaries.

1.5 COMPANY. For purposes of this Agreement, the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Agreement with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

1.6 OTHER ENTERPRISES. For purposes of this Agreement, "other enterprises" shall include employee benefit plans.

1.7 FINES. For purposes of this Agreement, references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan.

1.8 SERVING AT THE REQUEST OF THE COMPANY. For purposes of this Agreement, "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company that imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

2. AGREEMENT TO SERVE. The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at the will of the Company (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of the Company, faithfully and to the best of his ability, so long as he is duly appointed or elected and qualified in accordance with the applicable provisions of the charter documents of the Company or any subsidiary of the Company; provided, however, that the Indemnitee may at any time and for any reason resign from such position (subject to any contractual obligation that the Indemnitee may have assumed apart from this Agreement), and the Company and any subsidiary shall have no obligation under this Agreement to continue the Indemnitee in any such position.

3. DIRECTORS' AND OFFICERS' INSURANCE. The Company shall, to the extent that the Board determines it to be economically reasonable, maintain a policy of directors' and officers' liability insurance ("D&O Insurance"), on such terms and conditions as may be approved by the Board.

4. MANDATORY INDEMNIFICATION. Subject to Section 9 below, the Company shall indemnify the Indemnitee:

4.1 THIRD-PARTY ACTIONS. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Company) by reason of the fact that the Indemnitee is or was the agent of the Company, or by reason of anything done or not done by the Indemnitee in any such capacity, against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred by the Indemnitee in connection with the investigation, defense, settlement, or appeal of such proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful; and

4.2 DERIVATIVE ACTIONS. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any proceeding by or in the right of the Company to procure a judgment in its favor by reason

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of the fact that the Indemnitee is or was an agent of the Company, or by reason of anything done or not done by the Indemnitee in any such capacity, against any amounts paid in settlement of any such proceeding and all expenses actually and reasonably incurred by the Indemnitee in connection with the investigation, defense, settlement, or appeal of such proceeding if he acted in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of such person's duty to the Company, unless and only to the extent that the Court of Chancery or the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amount which the Court of Chancery or such other court shall deem proper; and

4.3 EXCEPTION FOR AMOUNTS COVERED BY INSURANCE. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Indemnitee for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) to the extent such have been paid to the Indemnitee by D&O Insurance.

5. PARTIAL INDEMNIFICATION AND CONTRIBUTION.

5.1 PARTIAL INDEMNIFICATION. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) incurred by the Indemnitee in the investigation, defense, settlement, or appeal of a proceeding but is not entitled, however, to indemnification for all of the total amount thereof, then the Company shall nevertheless indemnify the Indemnitee for such total amount except as to the portion thereof to which the Indemnitee is not entitled to indemnification.

5.2 CONTRIBUTION. If the Indemnitee is not entitled to the indemnification provided in Section 4 for any reason other than the statutory limitations set forth in the Delaware General Corporation Law, then in respect of any threatened, pending, or completed proceeding in which the Company is jointly liable with the Indemnitee (or would be if joined in such proceeding), the Company shall contribute to the amount of expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred and paid or payable by the Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and the Indemnitee on the other hand from the transaction from which such proceeding arose and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events that resulted in such expenses, judgments, fines, or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines, or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this
Section 5 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

6. MANDATORY ADVANCEMENT OF EXPENSES.

6.1 ADVANCEMENT. Subject to Section 9 below, the Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defense, settlement, or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company or by reason of anything done or not done by the Indemnitee in any such capacity. The Indemnitee hereby undertakes to promptly repay such amounts advanced only if, and to the extent that, it shall ultimately by determined that the Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Certificate of Incorporation or Bylaws of the Company, the General Corporation Law of Delaware or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee within thirty (30) days following delivery of a written request therefor by the Indemnitee to the Company.

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6.2 EXCEPTION. Notwithstanding the foregoing provisions of this Section 6, the Company shall not be obligated to advance any expenses to the Indemnitee arising from a lawsuit filed directly by the Company against the Indemnitee if an absolute majority of the members of the Board reasonably determines in good faith, within thirty (30) days of the Indemnitee's request to be advanced expenses, that the facts known to them at the time such determination is made demonstrate clearly and convincingly that the Indemnitee acted in bad faith. If such a determination is made, the Indemnitee may have such decision reviewed in the manner set forth in Section 8.5 hereof, with all references therein to "indemnification" being deemed to refer to "advancement of expenses," and the burden of proof shall be on the Company to demonstrate clearly and convincingly that, based on the facts known at the time, the Indemnitee acted in bad faith. The Company may not avail itself of this Section 6.2 as to a given lawsuit if, at any time after the occurrence of the activities or omissions that are the primary focus of the lawsuit, the Company has undergone a change in control. For this purpose, a change in control shall mean a given person of group of affiliated persons or groups increasing their beneficial ownership interest in the Company by at least twenty (20) percentage points without advance Board approval.

7. NOTICE AND OTHER INDEMNIFICATION PROCEDURES.

7.1 NOTIFICATION. Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof.

7.2 INSURANCE. If, at the time of the receipt of a notice of the commencement of a proceeding pursuant to Section 7.1 hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such D&O Insurance policies.

7.3 DEFENSE. In the event the Company shall be obligated to advance the expenses for any proceeding against the Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel approved by the Indemnitee (which approval shall not be unreasonably withheld), upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same proceeding, provided that (a) the Indemnitee shall have the right to employ the Indemnitee's own counsel in any such proceeding at the Indemnitee's expense; (b) the Indemnitee shall have the right to employ the Indemnitee's own counsel in connection with any such proceeding, at the expense of the Company, if such counsel serves in a review, observer, advice, and counseling capacity and does not otherwise materially control or participate in the defense of such proceeding; and (c) if (i) the employment of counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be conflict of interest between the Company and the Indemnitee in the conduct of any such defense, or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company.

8. DETERMINATION OF RIGHT TO INDEMNIFICATION.

8.1 SUCCESS ON MERITS. To the extent the Indemnitee has been successful on the merits or otherwise in defense of any proceeding referred to in Section 4.1 or 4.2 of this Agreement or in the defense of any claim, issue, or matter described therein, the Company shall indemnify the Indemnitee against expenses actually and reasonably incurred by the Indemnitee in connection with the investigation, defense, or appeal of such proceeding, or such claim, issue, or matter, as the case may be.

8.2 PROOF BY COMPANY. In the event that Section 8.1 is inapplicable, or does not apply to the entire proceeding, the Company shall nonetheless indemnify the Indemnitee unless the Company shall prove by

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clear and convincing evidence to a forum listed in Section 8.3 below that the Indemnitee has not met the applicable standard of conduct required to entitle the Indemnitee to such indemnification.

8.3 APPLICABLE FORUMS. The Indemnitee shall be entitled to select the forum in which the validity of the Company's claim under Section 8.2 hereof that the Indemnitee is not entitled to indemnification will be heard from among the following, except that the Indemnitee can select a forum consisting of the stockholders of the Company only with the approval of the Company and, if the Indemnitee is a director or officer at the time of such determination, the determination shall be made in accordance with (a), (b), (c) or (d) below at the election of the Company:

(a) A majority vote of the directors who are not parties to the proceeding for which indemnification is being sought even though less than a quorum;

(b) A committee of directors who are not parties to the proceeding for which indemnification is being sought designated by a majority vote of such directors, even though less than a quorum;

(c) If there are no directors who are not parties to the proceeding for which indemnification is sought, or if such directors so direct, by independent legal counsel in a written opinion;

(d) The stockholders of the Company;

(e) A panel of three arbitrators, one of whom is selected by the Company, another of whom is selected by the Indemnitee, and the last of whom is selected by the first two arbitrators so selected; or

(f) The Court of Chancery of Delaware or other court having jurisdiction of subject matter and the parties.

8.4 SUBMISSION. As soon as practicable, and in no event later than thirty (30) days after the forum has been selected pursuant to Section 8.3 above, the Company shall, at its own expense, submit to the selected forum its claim that the Indemnitee is not entitled to indemnification, and the Company shall act in the utmost good faith to assure the Indemnitee a complete opportunity to defend against such claim.

8.5 APPEALS. If the forum selected in accordance with Section 8.3 hereof is not a court, then after the final decision of such forum is rendered, the Company or the Indemnitee shall have the right to apply to the Court of Chancery of Delaware, the court in which the proceeding giving rise to the Indemnitee's claim for indemnification is or was pending, or any other court of competent jurisdiction, for the purpose of appealing the decision of such forum, provided that such right is executed within sixty (60) days after the final decision of such forum is rendered. If the forum selected in accordance with
Section 8.3 hereof is a court, then the rights of the Company or the Indemnitee to appeal any decision of such court shall be governed by the applicable laws and rules governing appeals of the decision of such court.

8.6 EXPENSES FOR INTERPRETATION. Notwithstanding any other provision in this Agreement to the contrary, the Company shall indemnify the Indemnitee against all expenses incurred by the Indemnitee in connection with any hearing or proceeding under this Section 8 involving the Indemnitee and against all expenses incurred by the Indemnitee in connection with any other proceeding between the Company and the Indemnitee involving the interpretation or enforcement of the rights of the Indemnitee under this Agreement unless a court of competent jurisdiction finds that each of the material claims and/or defenses of the Indemnitee in any such proceeding was frivolous or not made in good faith.

9. EXCEPTIONS. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

9.1 CLAIMS INITIATED BY INDEMNITEE. To indemnify or advance expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee and not by way of defense,

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except with respect to proceedings specifically authorized by the Board or brought to establish or enforce a right to indemnification and/or advancement of expenses arising under this Agreement, the charter documents of the Company or any subsidiary, or any statute or law or otherwise, but such indemnification or advancement of expenses may be provided by the Company in specific cases if the Board finds it to be appropriate; or

9.2 UNAUTHORIZED SETTLEMENTS. To indemnify the Indemnitee hereunder for any amounts paid in settlement of a proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld; or

9.3 SECURITIES LAW ACTIONS. To indemnify the Indemnitee on account of any suit in which judgment is rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state, or local statutory law; or

9.4 UNLAWFUL INDEMNIFICATION. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the mater shall determine that such indemnification is not lawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication.

10. NON-EXCLUSIVITY. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights that the Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, the vote of the Company's stockholders or disinterested directors, other agreements, or otherwise, both as to action in the Indemnitee's official capacity and to action in another capacity while occupying the Indemnitee's position as an agent of the Company, and the Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors, and administrators of the Indemnitee.

11. GENERAL PROVISIONS.

11.1 INTERPRETATION OF AGREEMENT. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification and advancement of expenses to the Indemnitee to the fullest extent now or hereafter permitted by law, except as expressly limited herein.

11.2 SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable for any reason whatsoever, then: (a) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal, or unenforceable that are not themselves invalid, illegal, or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 11.1 hereof.

11.3 MODIFICATION AND WAIVER. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

11.4 SUBROGATION. In the event of full payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all documents required and shall do all acts that may be necessary or desirable to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

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11.5 COUNTERPARTS. This Agreement may be executed in one or more counterparts, which shall together constitute one agreement.

11.6 SUCCESSORS AND ASSIGNS. The terms of this Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

11.7 NOTICE. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed duly given (a) if delivered by hand and receipted for by the party addressee, or (b) if mailed by certified or registered mail, with postage prepaid, on the third business day after the mailing date. Addresses for notice to either party are as shown in the records of the Company or as subsequently modified by written notice.

11.8 GOVERNING LAW. This Agreement shall be governed exclusively by and construed according to the laws of the state of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

11.9 CONSENT TO JURISDICTION. The Company and the Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the state of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement.

11.10 ATTORNEYS' FEES. In the event Indemnitee is required to bring any action to enforce rights under this Agreement (including, without limitation, the expenses of any proceeding described in Section 4), the Indemnitee shall be entitled to all reasonable fees and expenses in bringing and pursuing such action, unless a court of competent jurisdiction finds each of the material claims of the Indemnitee in any such action was frivolous and not made in good faith.

IN WITNESS WHEREOF, the parties hereto have entered into this Indemnification Agreement effective as of the date first written above.

SYNAPTICS INCORPORATED, a Delaware corporation	INDEMNITEE:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	

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