

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): **March 1, 2012**

SILICON LABORATORIES INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-29823
(Commission File Number)

74-2793174
(IRS Employer
Identification No.)

400 West Cesar Chavez, Austin, TX
(Address of Principal Executive Offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(512) 416-8500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On March 1, 2012, Silicon Laboratories Inc. ("Silicon Laboratories") entered into a Transition Agreement with Necip Sayiner. Pursuant to the Transition Agreement, Mr. Sayiner agreed to continue to serve as our President and Chief Executive Officer through April 18, 2012 and agreed to continue to serve as a non-executive advisor through July 19, 2012. Upon his separation from Silicon Laboratories and execution of a release of claims, he will receive a severance package consistent with the terms of his employment agreement consisting of (a) cash equal to his annual salary, (b) cash equal to 200% of his quarterly bonus for the fourth quarter of 2011 and the first quarter of 2012, and (c) 12 months of continued COBRA coverage. In addition to the severance provided under his employment agreement, the Transition Agreement also provides that his outstanding stock options will be exercisable for 12 months following termination (rather than three months) and he will receive accelerated vesting of 81,298 restricted stock units and 9,900 market stock units (subject to the performance criteria over the revised performance period). His remaining 15,264 restricted stock units and 9,900 market stock units shall cancel.

The foregoing description is subject to, and qualified in its entirety by, the Transition Agreement. The Transition Agreement is attached hereto as Exhibit 10.1 and the terms thereof are incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 1, 2012, Silicon Laboratories issued a press release announcing its chief executive officer transition plan.

G. Tyson Tuttle shall become President and Chief Executive Officer effective as of April 19, 2012. Mr. Tuttle, age 44, has served as Chief Operating Officer and Senior Vice President since May 2011. Mr. Tuttle served as Chief Technical Officer from January 2010 to May 2011. From May 2005 to December 2009, he was the Vice President and General Manager of Broadcast products including the audio and video product families. Mr. Tuttle joined Silicon Laboratories in 1997 as a senior design engineer. From 1999 to 2005, Mr. Tuttle served in a variety of product management, marketing and business leadership positions. Previously, Mr. Tuttle held senior design engineering positions at Crystal Semiconductor/Cirrus Logic and Broadcom Corporation. Mr. Tuttle holds an M.S. in Electrical Engineering from UCLA and a B.S. in Electrical Engineering from Johns Hopkins University.

Necip Sayiner shall cease to serve as our President and Chief Executive Officer and as a member of our board of directors effective as of the end of the day on April 18, 2012.

The press release announcing the appointment of Mr. Tuttle is attached hereto as Exhibit 99.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

10.1 Transition Agreement between Necip Sayiner and Silicon Laboratories Inc. dated March 1, 2012.

99 Press Release of Silicon Laboratories Inc. dated March 1, 2012.

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SIGNATURE

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

SILICON LABORATORIES INC.

March 1, 2012

Date

/s/ Paul V. Walsh, Jr.

Paul V. Walsh, Jr.
Vice President and
Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Transition Agreement between Necip Sayiner and Silicon Laboratories Inc. dated March 1, 2012
99	Press release of Silicon Laboratories Inc. dated March 1, 2012

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TRANSITION AGREEMENT

This Transition Agreement (“**Agreement**”) is between Necip Sayiner (“**Employee**”) and Silicon Laboratories Inc. (the “**Company**”), and is entered into as of March 1, 2012 (the “**Execution Date**”). The Company and the Employee are sometimes referred to herein as the “**Parties**”.

WHEREAS, Employee has been employed by the Company as its President and Chief Executive Officer and has served as a member of its Board of Directors;

WHEREAS, Employee and the Company entered into that certain letter agreement dated August 30, 2005, as amended (the “**Employment Agreement**”);

WHEREAS, Employee and the Company entered into that certain New-Hire Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreements dated as of September 14, 2005, as amended as of March 1, 2012, (the “**Confidentiality Agreement**”) that, among other things, contains restrictions on Employee’s actions following the termination of his employment with the Company and requires that he maintain as confidential all of the Company’s intellectual property rights, trade secrets, confidential knowledge, data or proprietary information;

WHEREAS, Employee and the Company are parties to two Notice of Grant of Restricted Stock Units and Restricted Stock Units Agreements (collectively the “**RSU Agreements**”) which grant Employee the right to receive shares of the Company’s Common Stock subject to the vesting schedules and other restrictions set forth in the RSU Agreements and the Silicon Laboratories Inc. 2009 Stock Incentive Plan (the “**2009 Stock Plan**”);

WHEREAS, Employee and the Company are parties to a Market Stock Units Grant Notice and Market Stock Units Award Agreement (the “**MSU Agreement**”) which grants Employee the right to receive shares of the Company’s Common Stock subject to the vesting schedules and other restrictions set forth in the MSU Agreement and the 2009 Stock Plan;

WHEREAS, Employee and the Company are parties to several Notice of Grant of Stock Option and Stock Option Agreements (collectively the “**Option Agreements**”) and together with the RSU Agreements and the MSU Agreement, the “**Stock Agreements**”) which grant Employee the right to purchase shares of the Company’s Common Stock subject to the vesting schedules and other restrictions on exercise as set forth in the Option Agreements and the Silicon Laboratories Inc. 2000 Stock Incentive Plan (the “**2000 Stock Plan**”);

WHEREAS, Employee and the Company are parties to the Indemnification Agreement dated September 14, 2005 (the “**Indemnification Agreement**”);

WHEREAS, the Parties desire to settle fully and finally, in the manner set forth herein, any and all differences between them which have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement, including, but in no way limited to, any and all claims and controversies arising out of the employment relationship between Employee and the Company, and the termination thereof.

NOW, THEREFORE, in consideration of these recitals and the promises and agreements set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Interim Period:** From the Execution Date through July 19, 2012 (the “**Separation Date**” and the period from the Execution Date through the Separation Date, the “**Interim Period**”), Employee shall continue to serve as an employee of the Company as follows: (i) through April 18, 2012, Employee shall continue to serve as the Company’s President and Chief Executive Officer, and (ii) from and after April 19, 2012, Employee shall serve as a non-executive employee with the title Advisor, to provide services related to the orderly transition of his former duties and responsibilities with the Company. During the Interim Period, Employee shall (a) report to the Board of Directors of the Company or its designee, (b) continue to be paid a bi-weekly salary of \$23,076.92, (c) be eligible to receive a bonus approved by the Company’s Compensation Committee with respect to the Company’s first fiscal quarter of 2012 but not with respect to any subsequent period, (d) continue to be eligible for the benefits described under the paragraph entitled Benefits in the Employment Agreement and all other benefits provided to him as of the date of this Agreement, (e) continue to be reimbursed for expenses in accordance with the Company’s policies and the Employment Agreement, and (f) continue to be covered by the Company’s directors and officers liability insurance policies as an insured person under such policies. Further, the Indemnification Agreement shall remain in full force and effect during the Interim Period and thereafter in accordance with its terms. Employee acknowledges and agrees that his service as a member of the Company’s Board of Directors shall terminate on April 18, 2012. While serving as an Advisor during the Interim Period, Employee shall be permitted to pursue part-time consulting opportunities provided that he shall not provide services to a competitor (or any person or entity preparing to compete with the Company), or engage in any activities that compete with the Company or otherwise are in conflict with the interests of the Company, at any time during such time Period. In the event that Employee’s employment with the Company terminates prior to the Separation Date by reason of his death, his estate and/or beneficiaries shall be entitled to receipt of the Severance Package described in Section 2 below, subject to the terms and conditions set forth therein.

2. **Severance Package:** Employee’s receipt of the Severance Package is contingent upon Employee complying with the following conditions: (i) Employee must sign the Separation Agreement in exactly the form attached hereto as **Exhibit A** (the “**Release**”) on or within 21 days of his Separation Date; (ii) Employee must not revoke the Release; and (iii) the Release must become effective and enforceable on the eighth day after Employee signs the Release (such eighth day, the “**Effective Date**”). Employee acknowledges and agrees that the Company’s promises herein constitute adequate legal consideration for the promises and representations made by Employee in this Agreement and in the Release. On or after the Effective Date, Company shall provide Employee with the following payments and benefits (“**Severance Package**”):

- 2.1 **Cash Severance.** On the thirtieth (30th) day following the Separation Date, the Company will pay to the Employee (a) \$600,000 (which is equal to Employee’s current annual base salary), plus (b) an amount equal to two times the actual bonus amount earned by Employee with respect to the Company’s fourth fiscal quarter of 2011 and the first fiscal quarter of 2012.
- 2.2 **Benefits.** During the continuation coverage period specified in section 4980B of the Internal Revenue Code of 1986, as amended (“**Code**”), and Part 6 of Title 1 of the Employee Retirement Income Security Act of 1986, as amended, Employee may elect to continue to participate in any medical, prescription drug, dental, vision, health care spending account and any other “group health

plan” (as such term is used in section 4980B of the Code) for the continued benefit of Employee (and Employee’s spouse and dependents) in which such person(s) were participating immediately prior to the Separation Date or, if such arrangements are altered by the Company, which is provided to similarly situated beneficiaries under the plans with respect to which a qualifying event has not occurred (“**COBRA Coverage**”).

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In the event that Employee elects COBRA Coverage, during the one-year period following the Separation Date (or until Employee becomes eligible for health care benefits from a new employer, if earlier), the Company will pay on the Employee’s behalf the premiums the Employee will be required to pay to maintain such COBRA Coverage for Employee and Employee’s spouse and dependents.

2.3 **RSU Vesting.** Except as explicitly set forth in this Section, Employee shall not vest any further with respect to any of the RSU Agreements following the Separation Date. On the 15th calendar day of the calendar month following the Effective Date:

2.3.1 With respect to RSU Agreement 600383, Employee’s vesting shall be accelerated such that the remaining 66,034 restricted stock units shall be fully vested and the underlying 66,034 shares of Common Stock shall be issued to Employee (and the Company shall withhold the applicable number of shares of Common Stock issuable with respect thereto in satisfaction of all Tax-Related Items, as defined by the RSU Agreement); and

2.3.2 With respect to RSU Agreement 600867, Employee’s vesting shall be accelerated such that the 15,264 of the remaining 30,528 restricted stock units shall be fully vested and the underlying 15,264 shares of Common Stock shall be issued to Employee (and the Company shall withhold the applicable number of shares of Common Stock issuable with respect thereto in satisfaction of all Tax-Related Items, as defined by the RSU Agreement) and the remaining 15,264 restricted stock units shall not vest.

2.4 **MSU Vesting.** Except as explicitly set forth in this Section, Employee shall not vest any further with respect to the MSU Agreement following the Separation Date. On the 15th calendar day of the calendar month following the Effective Date:

2.4.1 With respect to MSU Agreement 300006, (a) the Performance Period shall be amended to mean “The period beginning January 2, 2011 and ending on the Separation Date (as defined in the Transition Agreement), subject to Section 9.1 of the Award Agreement.” and (b) Employee’s vesting shall be accelerated such that 9,900 of the Target Number of Units multiplied by the Relative Return Factor shall be fully vested and the applicable underlying shares of Common Stock shall be issued to Employee (and the Company shall withhold the applicable number of shares of Common Stock issuable with respect thereto in satisfaction of all Tax-Related Items, as defined by the MSU Agreement) and the remaining 9,900 Target Number of Units shall not vest.

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2.5 **Stock Option Exercisability.** With respect to all Option Agreements, Section 5(i) of each Option Agreement shall be amended and restated to read as follows: “(i) Should Optionee cease to remain in Service for any reason (other than death, Permanent Disability or Misconduct) while this option is outstanding, then this option shall remain exercisable until the earlier of (i) the expiration of the 12-month period measured from the date of such cessation of Service or (ii) the Expiration Date.”

3. **Reimbursement of Legal Expenses.** The Company agrees to reimburse Employee up to an aggregate of \$20,000 for the legal fees and expenses incurred by Employee in the course of negotiating this Agreement and the Release.

4. **Acknowledgement.** Employee acknowledges and agrees that: (A) except as provided by this Agreement, no additional consideration, including salary, wages, bonuses, stock or stock options, is to be paid to him by the Company; (B) except as provided by this Agreement, he is not contractually entitled to all of the benefits in the Severance Package described herein; and (C) payments and benefits pursuant to this Agreement shall terminate immediately if Employee materially breaches any of the provisions of this Agreement or the Confidentiality Agreement.

5. **Stock Agreements:** Except as expressly provided for in Section 2 of this Agreement, the terms and conditions of the Stock Agreements shall remain in full force and effect.

6. **Confidentiality:** Until this Agreement is publicly filed by the Company, Employee agrees not to directly or indirectly disclose the terms, amount or fact of this Agreement to anyone other than by Employee to his immediate family, counsel, accountant or tax advisor, except as such disclosure may be required for accounting or tax reporting purposes or as otherwise may be required by law.

7. **Acknowledgement of Restrictions; Non-Competition; Confidential Information:** Employee acknowledges and agrees that he has continuing obligations, including without limitation, non-competition, non-solicitation and non-disclosure obligations pursuant to the Confidentiality Agreement. Employee acknowledges and agrees that the provisions (including without limitation, the non-competition, non-solicitation and non-disclosure provisions) of the Confidentiality Agreement are valid, binding and enforceable, and Employee reaffirms his obligation to continue to abide fully and completely with all provisions of the Confidentiality Agreement, including without limitation the non-competition, non-solicitation and non-disclosure provisions, and agrees that nothing in this Agreement shall operate to excuse or otherwise relieve Employee of such obligation.

8. **Return of Company Property.** Employee confirms that Employee shall, on or before the Separation Date, return all of the Company’s property to the Company, including but not limited to, Company files, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property, including computers, keys, access cards, identification badges, credit cards, cell phones and PDAs issued to Employee, and any proprietary or confidential information of the Company (and all reproductions thereof).

9. **Nondisparagement:** Each Party agrees that it will not make (and the Company agrees to prevent any executive officer or member of the board of directors of the Company or the Company's current and former parent, subsidiary, affiliated, and related corporations, firms, associations, partnerships, limited liability companies and entities from making) any statements, written or verbal, or cause or encourage others to make any statements, written or verbal, that defame or disparage the personal or business reputation, practices, prospects or conduct of the other including, in the case of the Company, its employees, directors, stockholders, and other related parties; *provided that* both Employee and the Company will respond accurately to any question, inquiry or request for information to the extent required by law.

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10. **Cooperation:** Employee agrees that from time to time following the Separation Date he will, at the Company's written request, voluntarily assist the Company with respect to on-going or contemplated litigation, audits by government agencies or any other similar matters. The Company will reimburse Employee for reasonable out-of-pocket expenses incurred with respect to any such requested matters; *provided that* such expenses shall not exceed \$500 without the Company's written approval. Employee acknowledges and agrees that his activities under this Section shall be performed as an independent contractor and not as an employee of the Company. The Company agrees to provide Employee with as much advance notice of its requests as may be reasonable under the circumstances.

11. **Severability:** If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and/or construed in remaining part to the full extent allowed by law, with the remaining provisions of this Agreement continuing in full force and effect.

12. **Entire Agreement:** This Agreement, the Stock Agreements, the Indemnification Agreement and the Confidentiality Agreement, which are each incorporated herein by reference, constitute the entire agreement between the Employee and the Company, and supersede all prior and contemporaneous negotiations and agreements, oral or written. This Agreement cannot be changed or terminated except pursuant to a written agreement executed by the Parties.

13. **Section 409A Compliance:** It is expected that on the Separation Date, Employee will have a "separation from service" (as such term is defined under Treasury Regulations Section 1.409A-1(h), without regard to any alternate definitions thereunder). It is intended that all of the benefits and payments payable under this Agreement, the Release, or otherwise to Employee satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement and all other arrangements with Employee will be construed to the greatest extent possible as consistent with those provisions. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Employee's right to receive any installment payments under this Agreement (whether reimbursements or otherwise) and any other agreement or arrangement with the Company will be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder will at all times be considered a separate and distinct payment.

14. **Governing Law; Venue:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, except where preempted by federal law. The Parties hereby agree that Travis County shall be the exclusive venue for any disputes under this Agreement and irrevocably submit to such jurisdiction.

[Signature page follows]

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15. **Statement of Understanding:** By executing this Agreement, Employee acknowledges that (a) he has been advised by the Company to consult with an attorney regarding the terms of this Agreement; (b) he has consulted with an attorney of his own choosing regarding the terms of this Agreement; (c) he has consulted with his own tax and financial advisors regarding the terms of this Agreement and is not relying on the Company with respect to any matters related to this Agreement; (d) any and all questions regarding the terms of this Agreement have been asked and answered to his complete satisfaction by his advisors; (e) he has read this Agreement and fully understands its terms and their import; (f) except as provided by this Agreement, he is not contractually entitled to the Severance Package described herein; (g) the consideration provided for herein is good and valuable; and (h) **he is entering into this Agreement voluntarily, of his own free will, and without any coercion, undue influence, threat, or intimidation of any kind or type whatsoever.**

EXECUTED in Austin, Texas, this 1st day of March, 2012.

EMPLOYEE

/s/ Necip Sayiner

Necip Sayiner

EXECUTED in Austin, Texas, this 1st day of March, 2012.

Silicon Laboratories Inc.

By: /s/Navdeep S. Sooch

Navdeep S. Sooch
Chairman of the Board

Exhibit A

SEPARATION AGREEMENT

This Separation Agreement ("**Agreement**") is between Necip Sayiner ("**Employee**") and Silicon Laboratories Inc. (the "**Company**"), and is entered into as of [, 2012]. The Company and the Employee are sometimes referred to herein as the "**Parties**".

WHEREAS, Employee has been employed by the Company as its President and Chief Executive Officer and thereafter as an Advisor pursuant to a Transition Agreement dated as of March 1, 2012 (the "**Transition Agreement**") that provides Employee with a Severance Package conditioned upon his execution of an agreement containing a general release of the Company;

WHEREAS, Employee's date of termination of employment and Service (for purposes of the Stock Agreements, as defined in the Transition Agreement) with the Company was [, 2012 — This will be the Separation Date as defined in the Transition Agreement], which date was the date of Employee's "separation from service" (as defined under Treasury Regulations Section 1.409A-1(h) without regard to any alternative definitions thereunder).

WHEREAS, the Parties desire to execute this Agreement to satisfy the conditions of the Transition Agreement and to resolve fully and finally, in the manner set forth herein, any and all differences between them which have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement, including, but in no way limited to, any and all claims and controversies arising out of the employment relationship between Employee and the Company, and the termination thereof.

NOW, THEREFORE, in consideration of these recitals and the promises and agreements set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **General Release:** Employee for himself and on behalf of his attorneys, heirs, assigns, successors, executors, and administrators IRREVOCABLY AND UNCONDITIONALLY RELEASES, ACQUITS AND FOREVER DISCHARGES the Company, the Company's current and former parent, subsidiary, affiliated, and related corporations, firms, associations, partnerships, limited liability companies and entities, their successors and assigns, and the current and former owners, stockholders, directors, officers, employees, agents, attorneys, representatives, and insurers of the Company and said corporations, firms, associations, partnerships, limited liability companies and entities, and their successors, assigns, heirs, executors, guardians, and administrators (including the Company, "**Company Released Parties**"), of and from any and all claims, liabilities, obligations, agreements, damages, causes of action, costs, losses, damages, and attorneys' fees and expenses whatsoever (collectively, "**claims**"), whether known or unknown or whether connected with Employee's employment by the Company or not, including, but not limited to, any claims arising under **Title VII of the Civil Rights Act of 1964**, as amended, 42 U.S.C. § 2000e, *et seq.*, **the Texas Labor Code (including but not limited to the Texas Civil Rights Act, the Texas Payday Act, and the Texas Minimum Wage Law)**, **the Age Discrimination in Employment Act**, 29 U.S.C. § 621, *et seq.*, **the Americans With Disabilities Act**, and any other municipal, local, state, or federal law, common or statutory, which may have arisen, or which may arise, prior to, or at the time of, the execution of this Agreement. Notwithstanding the foregoing, Employee shall have all rights of indemnification for his acts or omissions as a director or officer of the Company that he may have under any applicable statute, the certificate of incorporation or by-laws of the Company, or pursuant to the Indemnification Agreement dated September 14, 2005 between Employee and the Company (the "**Indemnification Agreement**").

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In addition, the parties acknowledge that this general release is not intended to bar: (i) any claims that, by statute, may not be waived, such as Employee's right to file a charge with the National Labor Relations Board or Equal Employment Opportunity Commission and other similar government agencies and claims for any challenge to the validity of Employee's release of claims under the Age Discrimination in Employment Act of 1967, as amended, as set forth in this Agreement, (ii) any rights set forth in this Agreement or the Stock Agreements (as defined in the Transition Agreement); (iii) any rights to other vested securities that were granted to Employee during the course of his employment with the Company; and (iv) any claims for breach of this Agreement.

2. **Covenant Not to Sue:** Employee COVENANTS NOT TO SUE, OR OTHERWISE PARTICIPATE IN ANY ACTION OR CLASS ACTION against, any Company Released Party based upon any of the claims released in this Agreement. Employee represents that, as of the date of this Agreement, Employee has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against the Company or any of the other Company Released Parties in any court or with any governmental agency.

3. **Severance Package:** On and after the Effective Date, Company shall provide Employee with the Severance Package set forth in Section 2 of the Transition Agreement (the "**Severance Package**"), incorporated herein by reference, pursuant to the schedule set forth in the Transition Agreement. Employee acknowledges and agrees that the Severance Package constitutes adequate legal consideration for the promises and representations made by Employee in this Agreement.

4. **Acknowledgement.** Employee acknowledges and agrees that: (A) except as provided by this Agreement, no additional consideration, including salary, wages, bonuses, stock or stock options, is to be paid to him by the Company; (B) except as provided by the Transition Agreement and this Agreement, he is not contractually entitled to the Severance Package; and (C) payments and benefits pursuant to the Severance Package shall terminate immediately if Employee materially breaches any of the provisions of this Agreement or the Confidentiality Agreement.

5. **Stock Agreements:** Except as expressly provided for in the Transition Agreement, the terms and conditions of the Stock Agreements (as defined in the Transition Agreement) shall remain in full force and effect.

6. **Waiver of Reemployment:** Employee waives and releases forever any right or rights he might have to employment, reemployment, or reinstatement with any Company Released Party at any time in the future. Employee agrees that he shall not seek or make application for employment with any of the Company Released Parties at any time in the future.

7. Confidentiality: Until this Agreement is publicly filed by the Company, Employee agrees not to directly or indirectly disclose the terms, amount or fact of this Agreement to anyone other than by Employee to his immediate family, counsel, accountant or tax advisor, except as such disclosure may be required for accounting or tax reporting purposes or as otherwise may be required by law.

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8. Acknowledgement of Restrictions; Non-Competition; Confidential Information: Employee acknowledges and agrees that he has continuing obligations, including without limitation, non-competition, non-solicitation and non-disclosure obligations pursuant to the Confidentiality Agreement (as defined in the Transition Agreement). Employee acknowledges and agrees that the provisions (including without limitation non-competition, non-solicitation and non-disclosure provisions) of the Confidentiality Agreement are valid, binding and enforceable, and Employee reaffirms his obligation to continue to abide fully and completely with all provisions of the Confidentiality Agreement, including without limitation the non-competition, non-solicitation and non-disclosure provisions, and agrees that nothing in this Agreement shall operate to excuse or otherwise relieve Employee of such obligation.

9. Return of Company Property. Employee confirms that Employee has returned all of the Company's property to the Company, including but not limited to, Company files, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property, including computers, keys, access cards, identification badges, credit cards, cell phones and PDAs issued to Employee, and any proprietary or confidential information of the Company (and all reproductions thereof).

10. Nondisparagement: Each Party agrees that it will not make (and the Company agrees to prevent any executive officer or member of the board of directors of the Company or the Company's current and former parent, subsidiary, affiliated, and related corporations, firms, associations, partnerships, limited liability companies and entities from making) any statements, written or verbal, or cause or encourage others to make any statements, written or verbal, that defame or disparage the personal or business reputation, practices, prospects or conduct of the other including, in the case of the Company, its employees, directors, stockholders, and other related parties included in the definition of Company Released Parties; provided that both Employee and the Company will respond accurately to any question, inquiry or request for information to the extent required by law.

11. Cooperation: Employee agrees that from time to time following the Separation Date he will, at the Company's written request, voluntarily assist the Company with respect to on-going or contemplated litigation, audits by government agencies or any other similar matters. The Company will reimburse Employee for reasonable out-of-pocket expenses incurred with respect to any such requested matters; provided that such expenses shall not exceed \$500 without the Company's written approval. Employee acknowledges and agrees that his activities under this Section shall be performed as an independent contractor and not as an employee of the Company. The Company agrees to provide Employee with as much advance notice of its requests as may be reasonable under the circumstances.

12. Severability: If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and/or construed in remaining part to the full extent allowed by law, with the remaining provisions of this Agreement continuing in full force and effect.

13. Entire Agreement: This Agreement, the Stock Agreements, the Indemnification Agreement and the Confidentiality Agreement, which are each incorporated herein by reference, constitute the entire agreement between the Employee and the Company, and supersede all prior and contemporaneous negotiations and agreements, oral or written. This Agreement cannot be changed or terminated except pursuant to a written agreement executed by the Parties.

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14. Section 409A Compliance: It is intended that all of the benefits and payments payable under this Agreement or otherwise to Employee satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement and all other arrangements with Employee will be construed to the greatest extent possible as consistent with those provisions. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Employee's right to receive any installment payments under this Agreement (whether reimbursements or otherwise) and any other agreement or arrangement with the Company will be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder will at all times be considered a separate and distinct payment.

15. Older Workers' Benefit Protection Act. This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. sec. 626(f). Employee is advised to consult with an attorney before executing this Agreement.

15.1. Acknowledgments/Time to Consider. Employee acknowledges and agrees that (a) Employee has read and understands the terms of this Agreement; (b) Employee has been advised in writing to consult with an attorney before executing this Agreement; (c) Employee has obtained and considered such legal counsel as Employee deems necessary; (d) Employee has been given twenty-one (21) days to consider whether or not to enter into this Agreement (although Employee may elect not to use the full 21 day period at Employee's option); and (e) by signing this Agreement, Employee acknowledges that Employee does so freely, knowingly, and voluntarily.

15.2. Revocation/Effective Date. This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Agreement. In other words, Employee may revoke Employee's acceptance of this Agreement within seven days after the date Employee signs it. Employee's revocation must be in writing and received by Nestor Ho by email at nestor.ho@silabs.com or by facsimile at (512) 428-1666 by 5:00 p.m. Central Time on the seventh day in order to be effective. If Employee does not revoke acceptance within the seven day period, Employee's acceptance of this Separation Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Severance Package will become due and payable in accordance with paragraph 3 above on and after the Effective Date, provided Employee does not revoke. Employee agrees that he will not receive the Severance Package provided by this Agreement if he revokes this Agreement.

15.3. Preserved Rights of Employee. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.



SILICON LABORATORIES ANNOUNCES CEO TRANSITION

— Chief Operating Officer and Company Veteran, Tyson Tuttle, will Succeed Necip Sayiner —

AUSTIN, Texas — March 1, 2012 — Silicon Laboratories Inc. (Nasdaq: SLAB), a leader in high-performance, analog-intensive, mixed-signal integrated circuits (ICs), today announced that Necip Sayiner will step down as president and chief executive officer on April 18th, the day prior to the company's Annual Shareholder Meeting. Tyson Tuttle, chief operating officer and a 15 year company veteran will be appointed as president and CEO at that time and will be nominated for election to the board of directors.

Mr. Sayiner joined Silicon Labs in September 2005 and led the transformation of Silicon Labs into a well-diversified growth business. Strong investment discipline, unwavering focus on product execution and emphasis on market share gains enabled the company to outperform the industry over multiple business cycles during his tenure. Under his leadership, the company doubled its revenue, increased its served market by about \$8 billion, and evolved from a modem and cellular-centric company to one with more than 40 percent of revenue from broad-based products.

"Today we have more engines of growth than any other time in our history. The board has determined that Tyson is uniquely qualified to lead the next chapter for Silicon Labs. I have enjoyed being part of this special company and very talented team, and am proud of the success we drove together," said Mr. Sayiner.

"We have a great deal of respect for Necip's leadership and are very pleased with the significant accomplishments the company achieved during his tenure. He brought Silicon Labs through its adolescence and created a very strong foundation off which to build," said Nav Sook, chairman of the board of directors and co-founder of Silicon Laboratories. "We're very excited about the future and feel the time is right for Tyson to take the helm as we set our sights on growing into a dominant force in the industry."

Tyson's passion for the business and impressive track record of commercial success sets him apart and I am very optimistic about the company's potential as we open the next chapter in our growth story."

Tyson Tuttle, age 44, was identified as a strong talent early in his career at Silicon Labs. He joined the company in 1997 and helped design the first product, a silicon DAA that subsequently achieved market share leadership in PCs, allowing the company to go public in 2000. Mr. Tuttle led the marketing effort behind the company's first RF products. He also spearheaded the development and market penetration strategy of the radio and video ICs, creating the broadcast business that represents about a third of the company today. Mr. Tuttle led the broadcast product lines until 2010 when the R&D team was consolidated under his leadership as chief technology officer. He then took over as chief operating officer and for the last year has been responsible for managing all of the company's business units and R&D.

Previous to joining Silicon Labs, Mr. Tuttle held senior design engineering positions at Crystal Semiconductor/Cirrus Logic and Broadcom Corporation. Mr. Tuttle holds an M.S. in electrical engineering from UCLA and a B.S. in electrical engineering from Johns Hopkins University. He has 61 patents issued in the areas of RF and mixed-signal IC design.

"I believe we have a strong business model, a best in class design team, and a long runway for growth," said Mr. Tuttle. "I will be focused on leveraging this solid framework to further optimize the business and realize the high rate of growth I believe we're capable of over the next decade."

Webcast and Conference Call

A brief conference call discussing the transition will follow this press release at 4:00 p.m. central time. An audio webcast will be available simultaneously on Silicon Laboratories' website under Investor Relations (www.silabs.com). A replay will be available after the call at the same website listed above or by calling (855) 859-2056 or +1 (404) 537-3406 (international) and by entering 57377614. The replay will be available through April 15th.

About Silicon Laboratories Inc.

Silicon Laboratories Inc. is a leading designer of high-performance, analog-intensive, mixed-signal integrated circuits (ICs) for a broad range of applications. Silicon Laboratories' diverse portfolio of highly integrated, patented solutions is developed by a world-class engineering team with expertise in cutting-edge mixed-signal design. The company has design, engineering, marketing, sales and applications offices throughout North America, Europe and Asia. For more information about Silicon Laboratories, please visit www.silabs.com.

Forward-Looking Statements

This press release contains forward-looking statements based on Silicon Laboratories' current expectations. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Silicon Laboratories are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Laboratories and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: risks that Silicon Laboratories may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; volatile stock price; average selling prices of products may decrease significantly and rapidly; difficulties developing new products that achieve market acceptance; dependence on a limited number of products and customers; intellectual property litigation risks; inventory-related risks; risks associated with acquisitions; difficulties managing international activities; difficulties managing our manufacturers and

subcontractors; risks that Silicon Laboratories may not be able to manage strains associated with its growth; credit risks associated with our accounts receivable; dependence on key personnel; risks associated with divestitures; geographic concentration of manufacturers, assemblers, test service providers and customers in Asia that subjects Silicon Laboratories' business and results of operations to risks of natural disasters, epidemics, war and political unrest; the competitive and cyclical nature of the semiconductor industry and other factors that are detailed in Silicon Laboratories' filings with the SEC. Silicon Laboratories disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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