These agreements provide for the following severance benefits in the event of termination following a change in control approved by the Board of Directors:

- a lump-sum payment equal to 200% (299% in the case of certain employees who are parties to the agreements, including each of our NEOs) of the sum of the employee's annual base salary (as of the date of termination or the date of the change in control, whichever is higher) plus 200% (299% in the case of certain employees who are parties to the agreements, including each of our NEOs) of the total cash bonuses paid or awarded to him or her in the four fiscal quarters preceding his or her termination;
- payment of all legal fees and expenses incurred by the employee as a result of such termination (including all such fees and expenses, if any, incurred in disputing such termination or in seeking to obtain or enforce any right or benefit provided by the agreement or in connection with tax audit or proceeding to the extent attributable to the application of Section 4999 of the Internal Revenue Code to any payment or benefit provided under the agreement); and
- the continuation of life, disability, dental, accident and group health insurance benefits for a period of 24 months.

If payments to the employee under his or her agreement (together with any other payments or benefits, including the accelerated vesting of stock options or restricted stock awards that the employee receives in connection with a change in control) would trigger the provisions of Sections 280G and 4999 of the Internal Revenue Code, the change in control employee retention agreements provide for the payment of an additional amount so that the employee receives, net of excise taxes, the amount he or she would have been entitled to receive in the absence of the excise tax imposed by Section 4999 of the Internal Revenue Code. In September 2009, our Compensation Committee eliminated this provision from any new employee retention agreements.

Each agreement provides that, in the event of a potential change in control (as defined in each agreement), the employee will not voluntarily resign as an employee, subject to certain conditions, for at least six months after the change in control occurs. The Compensation Committee reviews these agreements each year, and the agreements automatically renew each year unless we give the employee three months' notice that his or her agreement will not be extended.

Mr. Hess' Employment Agreement

In connection with our acquisition of Hittite, we entered into an employment agreement with Mr. Hess that provides for severance benefits if any of the following occurs:

- within 24 months after a change in control (as defined in the agreement), we terminate Mr. Hess' employment for any reason other than "misconduct" (as defined in the agreement) or Mr. Hess' death or disability; or
- within 24 months after a change in control, Mr. Hess terminates his employment for "good reason" (as defined in the agreement).

For purposes of Mr. Hess' employment agreement, a "change in control" occurs:

- when any person or entity becomes the beneficial owner of 50% or more of the combined voting power of our outstanding securities;
- upon the closing of specified mergers of ADI with another entity;
- when our shareholders approve a plan of liquidation; or
- upon the closing of the sale of all, or substantially all, of ADI's assets.

Certain transactions described above may not be treated as a change in control where necessary for compliance with Section 409A of the Internal Revenue Code.