

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 15, 2019

MACOM Technology Solutions Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-35451
(Commission
File Number)

27-0306875
(I.R.S. Employer
Identification No.)

100 Chelmsford Street
Lowell, Massachusetts 01851

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (978) 656-2500

Not applicable

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of exchange on which registered</u>
Common Stock, par value \$0.001 per share	MTSI	Nasdaq Global Select Market

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

Chief Executive Officer Transition

On May 16, 2019, MACOM Technology Solutions Holdings, Inc. (the “Company”) announced the appointment of Stephen G. Daly, age 53, as its President and Chief Executive Officer. Mr. Daly has served as a member of the Company’s Board of Directors (the “Board”) since March 2015 and will continue to serve on the Board. From December 2004 through March 2013, Mr. Daly served as the President and Chief Executive Officer of Hittite Microwave Corporation (“Hittite”), a provider of analog and mixed signal integrated circuits, modules and subsystems for commercial and military RF, microwave and millimeterwave applications. He served as a member of Hittite’s board of directors from January 2004 through May 2013, and as its Chairman from December 2005 through March 2013.

On May 15, 2019, John Croteau resigned from his roles as President and Chief Executive Officer of the Company and from the Board. Mr. Croteau will remain employed by the Company through July 12, 2019 in order to ensure a smooth transition. During this period, Mr. Croteau will continue to receive his current compensation and healthcare coverage benefits.

Upon Mr. Croteau’s resignation, the Board reduced the number of authorized directors from eight to seven. Effective as of his appointment as President and Chief Executive Officer, Mr. Daly is no longer serving on the Board’s Audit Committee or Compensation Committee, and he will no longer receive compensation in respect of his service on the Board. In connection with Mr. Daly’s appointment as President and Chief Executive Officer, vesting was accelerated for a pro-rated portion of the restricted stock units granted to Mr. Daly in his capacity as a director in March 2019.

Officer Compensation

Mr. Daly’s employment with the Company will be on an at-will basis pursuant to an employment agreement approved by the Board that includes the following terms:

Base Salary and Target Bonus. Mr. Daly will receive an annual base salary of \$675,000 for his service as President and Chief Executive Officer. He will also be eligible for an annual bonus with a target amount of 100% of his base salary and a maximum bonus potential of up to 200% of his base salary.

Grants of Equity Awards. Mr. Daly will receive the following equity awards:

- a one-time “new hire” grant of restricted stock units (“RSUs”) valued at approximately \$2,000,000 that will vest over a five-year period;
- 50,000 performance-based restricted stock units (“PSUs”) that are eligible to be earned and vest based on the Company’s non-GAAP adjusted earnings per share growth over the next three fiscal years (the “EPS PSUs”);
- 190,000 performance-based stock options that vest as to 100% of the underlying shares if the closing price of the Company’s common stock equals or exceeds \$38.37 per share for a period of thirty consecutive trading days (which represents an approximate premium of 50% over the 52-week high closing price per share of our common stock as of Mr. Daly’s first day of employment with the Company); and
- 200,000 PSUs that are eligible to be earned and vest over a three-year performance period based on the Company’s relative shareholder return against a specified peer group described below.

The terms and vesting criteria for the EPS PSUs and option award are generally consistent with the Company’s recent awards to executive officers described in the Company’s proxy statement for its 2019 annual meeting of stockholders, as filed with the Securities and Exchange Commission on January 16, 2019.

With respect to the PSU award based on relative total shareholder return, the actual number of shares earned following the three-year performance period will be the number of shares subject to the award, multiplied by a “payout factor” ranging from 0% to 150% based on the Company’s total shareholder return compared to a peer group of companies listed on the NASDAQ Composite Index filtered by the Semiconductor, Semiconductor Equipment, and Electronics Equipment, Instruments and Components Sectors.

Severance Terms. Pursuant to the employment agreement, Mr. Daly will be entitled to receive certain benefits upon termination of his employment under certain circumstances. In the event of (i) an involuntary termination of Mr. Daly’s employment by the Company other than for “cause” (as defined in the employment agreement) or (ii) Mr. Daly’s resignation for “good reason” (as defined in the employment agreement), Mr. Daly will be entitled to receive: (a) a continuation of his monthly salary for 12 months; (b) the bonus payment that would have been paid to him in accordance with the terms and conditions of the Company’s then-active bonus plan for the year in which the termination occurs, prorated based on the portion of the year he was employed by the Company; (c) reimbursement of medical and dental premiums for 12 months; (d) immediate vesting of all unvested RSUs subject to the “new hire” grant described above; and (e) 12 months’ accelerated vesting credit against any other outstanding time-vesting equity grants and such equity grants, to the extent exercisable, shall be exercisable for one year following such involuntary termination, but not past their original term. Additionally, in the event of a termination of Mr. Daly’s employment due to his death or permanent disability, his “new hire” RSU grant described above will vest fully. Mr. Daly will also be designated as a participant in the Company’s Change in Control Plan (as amended, the “CIC Plan”), with a protection period ending on the second anniversary of a “change in control” and a multiple of two for the cash severance payable under the CIC Plan.

This summary of Mr. Daly’s employment agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the agreement, a copy of which the Company intends to file with its Quarterly Report on Form 10-Q for the quarter ended June 28, 2019.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated May 16, 2019 announcing leadership transition.

SIGNATURES

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

MACOM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Dated: May 21, 2019

By: /s/ Ambra R. Roth

Ambra R. Roth

Vice President, General Counsel and Secretary

MACOM Announces Stephen G. Daly as President and Chief Executive Officer

Lowell, Mass., May 16, 2019 - [MACOM Technology Solutions Holdings, Inc.](#) (“MACOM”) (NASDAQ: MTSI), a leading supplier of semiconductor solutions, today announced the appointment of Stephen G. Daly as President and Chief Executive Officer, effective immediately. Mr. Daly succeeds John Croteau, who resigned on May 15, 2019. Mr. Croteau had served as President and Chief Executive Officer since December 2012. Mr. Croteau will be available to MACOM in an advisory capacity for the next two months to ensure a smooth transition.

Mr. Daly has served on MACOM’s Board of Directors since March 2015 and has over 25 years of experience in the semiconductor industry. Prior to joining MACOM’s Board of Directors, Mr. Daly had served for almost ten years as Chairman, President and Chief Executive Officer of Hittite Microwave Corporation (“Hittite”), a provider of analog and mixed signal integrated circuits, modules and subsystems for commercial and military radio frequency, microwave and millimeterwave applications. Mr. Daly’s 17-year career at Hittite included leading Hittite’s initial public offering in July 2005 and establishing Hittite as an innovative designer of high-performance semiconductor products that generated industry leading profitability.

“We thank John for his leadership for the past six and a half years and his commitment to MACOM’s customers, employees and investors,” said John Ocampo, Chairman of the Board of Directors. “On behalf of our board of directors and employees, I congratulate Steve on his appointment. We are confident that Steve will be successful in advancing our strategies, which we believe will enable MACOM to reach its full potential.”

“I am excited to accept the role of leading MACOM,” said Mr. Daly. “I look forward to meeting our worldwide employees, partners, customers, suppliers and shareholders in the days and weeks ahead.”

ABOUT MACOM:

MACOM designs and manufactures semiconductor products for telecommunication, Industrial and Defense and Datacenter applications. Headquartered in Lowell, Massachusetts, MACOM is certified to the ISO9001 international quality standard and ISO14001 environmental management standard. MACOM has design centers and sales offices throughout North America, Europe and Asia.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This press release contains forward-looking statements based on MACOM's beliefs and assumptions and on information currently available to MACOM. These forward-looking statements include, among others, statements about MACOM's strategic plans, including those regarding its investments and operations. These forward-looking statements reflect MACOM's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those expressed in any forward-looking statement. Although MACOM believes that the expectations reflected in the forward-looking statements are reasonable, it cannot and does not guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in "Risk Factors" in MACOM's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. MACOM undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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