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 AGREEMENT OF MERGER

OF EDGE SEMICONDUCTOR INCORPORATED
 AND ESI ACQUISITION CORP.

FILED
 In the office of the Secretary of State
 of the State of California

OCT 02 1997

Bill Jones
 BILL JONES, Secretary of State

This Agreement of Merger (the "Merger Agreement") is entered into as of this 2nd day of October, 1997 by and between Edge Semiconductor Incorporated, a California corporation ("Edge"), and ESI Acquisition Corp., a California corporation ("Merger Sub," and together with Edge, the "Constituent Corporations"). Merger Sub is a wholly-owned subsidiary of Semtech Corporation, a Delaware corporation (the "Parent").

The authorized capital stock of Edge consists of (i) FIFTEEN MILLION (15,000,000) shares of Common Stock (the "Common Stock"), of which FIVE MILLION NINE HUNDRED SIXTY-SEVEN THOUSAND EIGHT HUNDRED FIFTY-SIX (5,967,856) shares (the "Edge Shares") are issued and outstanding and (ii) FIVE MILLION (5,000,000) shares of Preferred Stock (the "Preferred Stock"), of which ONE MILLION (1,000,000) shares have been designated as Series A Preferred Stock (of which no shares are issued and outstanding), and of which ONE MILLION (1,000,000) shares have been designated as Series B Preferred Stock (of which no shares are issued and outstanding). The authorized capital stock of Merger Sub consists of TEN THOUSAND (10,000) shares of common stock, of which TEN THOUSAND (10,000) shares are issued and outstanding. This Merger Agreement is entered into in accordance with that certain Agreement and Plan of Merger dated as of October 2, 1997 (the "Agreement and Plan of Merger") by and among Parent and Merger Sub, on the one hand, and Edge, on the other.

NOW, THEREFORE, the parties do hereby adopt this Merger Agreement and do hereby agree that Merger Sub shall merge with and into Edge on the following terms and conditions and other provisions:

I. TERMS AND CONDITIONS

A. Merger. Merger Sub shall be merged (the "Merger") with and into Edge, and Edge shall be the surviving corporation (the "Surviving Corporation"), effective upon the date and time when the Merger Agreement is filed with the Secretary of State of the State of California (the "Effective

Time") in accordance with the applicable provisions of the California General Corporation Law (the "GCL"). The effect of the Merger shall be as provided in the GCL.

B. Succession. At the Effective Time, the separate existence of Merger Sub shall cease, and Edge shall succeed, without other transfer, to all the rights and property of Merger Sub and shall be subject to all the debts and liabilities thereof in the same manner as if Edge had itself incurred them. However, other than entering into the Merger and related agreements, carrying out the transactions contemplated thereby, and matters relating to corporate organization and capitalization, Merger Sub has not engaged in, and does not intend to engage in, any business prior to the Effective Time.

C. Common Stock of Merger Sub. Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and thereafter evidence one share of common stock of the Surviving Corporation.

D. Merger Consideration. At the Effective Time, by virtue of the Merger and without any action on the part of any person, all outstanding Edge Shares owned by Edge's shareholders (each, an "Edge Shareholder" and collectively, the "Edge Shareholders"), other than Dissenting Shares (as such term is defined below), and all Options (as such term is defined below), will be converted into the right to receive, subject to the escrow provisions described below, an aggregate of 750,000 shares of common stock, \$.01 par value, of the Parent (collectively, the "Merger Consideration"), as further described below. "Dissenting Shares" means Edge Shares held as of the Effective Time by an Edge Shareholder who has not voted such Edge Shares in favor of the adoption of the Agreement and Plan of Merger and the Merger as contemplated therein and with respect to which demand for purchase shall have been duly made and perfected in accordance with Section 1301 of GCL and not subsequently and effectively withdrawn or forfeited. "Options" means all outstanding options, warrants and other rights to acquire Common Stock of Edge.

(i) Conversion of Edge Shares. At the Effective Time, each Edge Shareholder shall be entitled to receive, for each Edge Share then held, other than Dissenting Shares, 0.11412 shares of common stock, \$.01 par value, of Parent, subject to the escrow provisions described below.

(ii) Exchange of Options. The holders of Options outstanding immediately prior to the Effective Time shall be

entitled to receive upon the Effective Time, subject to the escrow provisions described below, for each Option held immediately prior to the Effective Time, a number of shares of common stock, \$.01 par value, of Parent equal to the Option Value (as such term is defined below) of such Option (assuming consummation of the Merger) divided by \$66.8875 (collectively, the "Exchanged Option Shares"). The number of Exchanged Option Shares, as so calculated, equals 68,949 shares of common stock, \$.01 par value, of Parent. "Option Value" means, as to an Option, the intrinsic value of such Option immediately before the Effective Time, determined on the basis of the Black-Scholes Option Valuation Model.

E. Escrow. In order to secure the non-recourse indemnification obligation of the Edge Shareholders and the holders of the Options (together, the "Edge Securityholders") under the Agreement and Plan of Merger, there shall be placed in escrow 37,500 shares of common stock, \$.01 par value, of the Parent which shall constitute a portion of the Merger Consideration issuable pursuant to the Agreement and Plan of Merger. Such escrow shall continue until one year from the date hereof. Claims for indemnification must be satisfied out of the shares held in escrow, cash proceeds from the sale of shares held in escrow or a combination thereof, and only to the extent such shares or such cash proceeds are then held in escrow. That portion of the Merger Consideration not held in escrow is referred to herein as the "Initial Shares."

F. No Fractional Shares. No certificates or scrip representing fractional Initial Shares shall be issued to former Edge Securityholders upon the surrender for exchange of Certificates (as defined below) or the exchange of Options, and such former Edge Securityholders shall not be entitled to any voting rights, rights to receive any dividends or distributions or other rights as a stockholder of the Parent with respect to any fractional Initial Shares that would otherwise be issued to such former Edge Securityholders. In lieu of any fractional Initial Shares that would otherwise be issued, each former Edge Securityholder that would have been entitled to receive a fractional Initial Share shall, upon proper surrender of such person's Certificates in the case of Edge Shareholders, receive a cash payment equal to \$66.8875, multiplied by the fraction of a share that such Edge Securityholder would otherwise be entitled to receive. For purposes of this Merger Agreement, "Certificates" shall mean certificates that, immediately prior to the Effective Time, represented Edge Shares that are converted into shares of common stock of the Parent pursuant to the Merger Agreement.

G. Certain Other Edge Stock. Each Edge Share, if any, which immediately prior to the Effective Time is owned

beneficially by the Parent or the Merger Sub, shall automatically be canceled and retired and cease to exist, and no payment shall be made in respect thereof.

H. Rights as Shareholders. At the Effective Time, the holders of Certificates representing Edge Shares outstanding immediately prior to the Effective Time shall cease to have any rights as shareholders of Edge, except for such rights as they may have pursuant to this Merger Agreement, the Agreement and Plan of Merger and applicable law.

II. CHARTER DOCUMENTS, DIRECTORS AND OFFICERS

A. Articles of Incorporation and Bylaws. The Articles of Incorporation of the surviving Corporation shall be as set forth on Exhibit A attached hereto. The Bylaws of Merger Sub shall be the Bylaws of the Surviving Corporation from and after the Effective Time until amended in accordance with applicable law.

B. Directors. The sole director of Merger Sub, immediately preceding the Effective Time, shall be the sole director of the Surviving Corporation from and after the Effective Time until his successor shall have been elected and qualified, or as otherwise provided in the Bylaws of the Surviving Corporation.

C. Officers. The officers of Edge, immediately preceding the Effective Time, shall remain the officers of the Surviving Corporation, retaining their respective positions, to serve at the pleasure of the sole director of the Surviving Corporation.

III. MISCELLANEOUS

A. Further Actions. The Surviving Corporation may, at any time after the Effective Time, take any action, including executing and delivering any document, in the name of either Edge or Merger Sub, in order to consummate the transactions contemplated by this Merger Agreement and the Agreement and Plan of Merger, and the officers and directors of the Surviving Corporation are fully authorized in the name and on behalf of Edge and Merger Sub or otherwise to take any and all such actions and to execute and deliver any and all such documents and other instruments.

B. Amendment. At any time before or after approval of the Merger by the shareholders of Edge and Merger Sub, this Merger Agreement may be amended in any manner (except that any of the principal terms may not be amended without the approval

of such shareholders) as may be determined in the judgment of, and by the agreement of, the Board of Directors of each of Edge and Merger Sub.

C. Abandonment. At any time before the Effective Time, this Merger Agreement may be terminated by the Board of Directors of either Edge or Merger Sub or both, notwithstanding the approval of this Merger Agreement by the shareholders of Edge or Merger Sub, in accordance with the terms of the Agreement and Plan of Merger.

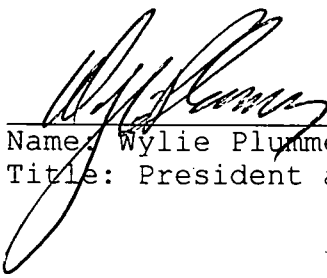
D. Counterparts. In order to facilitate the filing and recording of this Merger Agreement, the same may be executed in any number of counterparts, each of which shall be deemed to be an original and, when taken together, shall constitute one and the same instrument.

E. Tax and Accounting Treatment. The Merger contemplated herein is intended to qualify as a plan of reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and to be accounted for as a pooling of interests pursuant to Opinion No. 16 of the Accounting Principles Board.

F. Governing Law. This Merger Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this
Merger Agreement as of the date first above written.

EDGE SEMICONDUCTOR INCORPORATED

By: 
Name: Wylie Plummer
Title: President and Secretary

ESI ACQUISITION CORP.

By _____
Name: John D. Poe
Title: President

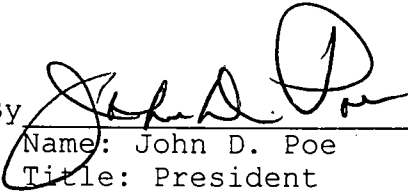
By _____
Name: David G. Franz, Jr.
Title: Secretary

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EDGE SEMICONDUCTOR INCORPORATED

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Name: Wylie Plummer
Title: President and Secretary

ESI ACQUISITION CORP.

By:  _____
Name: John D. Poe
Title: President

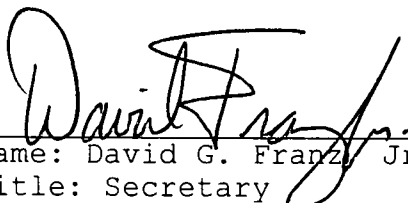
By:  _____
Name: David G. Franz, Jr.
Title: Secretary

Exhibit A

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
ESI ACQUISITION CORP.

I

The name of this corporation is Edge Semiconductor Incorporated.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is ten thousand (10,000).

IV

The personal liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law, as the same exists when this Article IV becomes effective and to such greater extent as California law may thereafter permit.

V

The corporation is authorized to indemnify any agent (as hereinafter defined) to the maximum and broadest extent permitted by California law, as the same exists when this Article V becomes effective and to such greater extent as California law may thereafter permit, if and to the extent such agent becomes entitled to indemnification by bylaw, agreement, vote of shareholders or disinterested directors or otherwise. This authorization includes, without limitation, the authority to indemnify any agent in excess of that otherwise expressly permitted by Section 317 of the California Corporations Code as to action in an official capacity and as to action in another capacity while holding such office for breach of duty to the corporation and its shareholders; provided, however, that the corporation is not authorized to indemnify any agent for any acts or omissions from which a director may not be relieved of liability as set forth in the exceptions to paragraph (10) of Section 204(a) of the California Corporations Code or as to circumstances in which indemnity is expressly prohibited by Section 317 of the California Corporations Code. When used in this Article V, "agent" shall have the meaning assigned to this term in Section 317 of the California Corporations Code. Each reference in this Article V to a provision of the California Corporations Code shall mean that provision when this Article V becomes effective and as the same may be amended thereafter from time to time, but only to the extent that such amendment would broaden or increase the scope or magnitude of permissible indemnification.

CERTIFICATE OF APPROVAL

OF

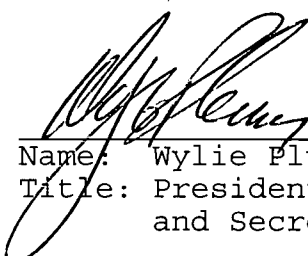
EDGE SEMICONDUCTOR INCORPORATED

Wylie Plummer certifies that:

1. He is President and Secretary of Edge Semiconductor Incorporated, a California corporation (the "Corporation").
2. The Agreement of Merger in the form attached hereto was duly approved by the board of directors and shareholders of the Corporation.
3. The authorized capital stock of the Corporation consists solely of (A) 15,000,000 shares of Common Stock, of which 5,967,856 are issued and outstanding and (B) 5,000,000 shares of Preferred Stock, of which 1,000,000 shares have been designated as Series A Preferred Stock (of which no shares are issued or outstanding), and of which 1,000,000 shares have been designated as Series B Preferred Stock (of which no shares are issued or outstanding). At the time of shareholder approval, 4,357,500 shares of Common Stock, 834,999 shares of Series A Preferred Stock and 775,357 shares of Series B Preferred Stock were issued and outstanding.
4. The shareholder approval was by (i) the holders of greater than a majority of the issued and outstanding shares of Common Stock of the Corporation, which exceeds the majority vote required of such class of shares, (ii) the holders of greater than a majority of the issued and outstanding shares of Preferred Stock, which exceeds the majority vote required of such class of shares, and (iii) the holders of greater than a majority of the issued and outstanding shares of Common Stock and Preferred Stock, voting together, with each share of Preferred Stock being counted on an "as converted basis," which exceeds the majority vote required of such shares. The unanimous consent of the shareholders of the corporation was received.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: October 2, 1997



Name: Wylie Plummer
Title: President
and Secretary

CERTIFICATE OF APPROVAL

OF

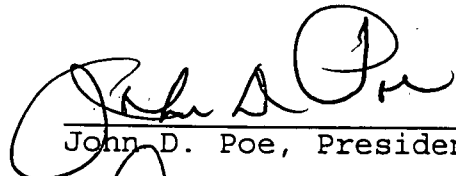
ESI ACQUISITION CORP.

John D. Poe and David G. Franz, Jr. certify that:

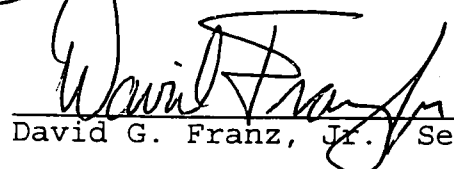
1. They are President and Secretary, respectively, of ESI Acquisition Corp., a California corporation (the "Corporation").
2. The Agreement of Merger in the form attached hereto was duly approved by the board of directors and shareholders of the Corporation.
3. The authorized capital stock of the Corporation consists solely of 10,000 shares of Common Stock, of which 10,000 shares are issued and outstanding.
4. The shareholder approval was by the holders of 100% of the issued and outstanding shares of Common Stock of the Corporation, which exceeds the majority vote required of such class of shares.
5. Equity securities of the Corporation's parent corporation, Semtech Corporation, a Delaware corporation ("Semtech"), are to be issued in the merger and no vote of the stockholders of Semtech was required in connection therewith.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: October 2, 1997



John D. Poe, President



David G. Franz, Jr. Secretary