

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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (date of earliest event reported):  
February 2, 2010**

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**MONOLITHIC POWER SYSTEMS, INC.**

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-51026**  
(Commission  
File Number)

**77-0466789**  
(I.R.S. Employer  
Identification Number)

**6409 Guadalupe Mines Road**  
**San Jose, California 95120**  
(Address of principal executive offices) (Zip Code)

**(408) 826-0600**  
(Registrant's telephone number, including area code)

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))

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**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

(d) On February 2, 2010, the board of directors (the "Board" or Monolithic Power Systems, Inc. (the "Company") appointed Dr. Jeff Zhou to be a Class II member of the Board to fill a vacancy previously created by the Board. Dr. Zhou will serve on the Company's Compensation Committee.

It is expected that Dr. Zhou, as an independent director within the meaning of the rules and regulations of the Securities and Exchange Commission and NASDAQ, will participate in the Company's non-employee director compensation arrangements, in amounts and otherwise as generally described under the heading "Director Compensation" in the proxy statement for the Company's 2009 annual meeting of stockholders.

In connection with the appointment of Dr. Zhou, the Company entered into an indemnification agreement with him, the terms of which are identical in all material respects to the form of indemnification agreement that the Company has previously entered into with each of its directors, which was filed with the SEC as Exhibit 10.4 of the Company's Form S-1 Registration Statement filed on November 15, 2004.

In addition, the Company entered into a letter agreement with Dr. Zhou setting forth the terms of his appointment as a director of the Company. A copy of the letter agreement between the Company and Dr. Zhou is attached to this Current Report as Exhibits 10.1. A press release announcing the appointment of Dr. Zhou was issued by the Company on February 2, 2010, a copy of which is being filed as Exhibit 99.1 to this Form 8-K and which is incorporated herein by reference in its entirety.

Other than as described above, there is no arrangement or understanding between Dr. Zhou and any other persons pursuant to which Dr. Zhou was selected as a director. There are no current or proposed transactions between the Company and Dr. Zhou or his immediate family members that would require disclosure under Item 404(a) of Regulations S-K promulgated by the Securities and Exchange Commission.

**Item 9.01. Financial Statements and Exhibits***(d) Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter agreement between the Company and Dr. Jeff Zhou, dated December 16, 2009
99.1	Press release, dated February 2, 2010

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**EXHIBIT INDEX**

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99.1	Press release, dated February 2, 2010

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**SIGNATURES**

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

Date: February 2, 2010

By: \_\_\_\_\_ /s/ C. RICHARD NEELY, JR.  
C. Richard Neely, Jr.  
Chief Financial Officer  
(Principal Financial and Accounting Officer  
and Duly Authorized Officer)



Monolithic Power Systems, Inc.  
6409 Guadalupe Mines Road  
San Jose, CA 95120

Dr. Jeff Zhou

December 16, 2009

Dear Jeff,

I am pleased to offer you a seat on the Board of Directors (the "Board") of Monolithic Power Systems, Inc. (the "Company") as a Class II director and as a member of the Board's Compensation Committee. Your appointment to the Board and the Compensation Committee will be effective on February 2, 2010. With the hope and expectation that you will accept this offer, I have summarized a few related matters below for your reference.

First, should you accept this offer, the Company will, upon the effective date of your joining the Board, recommend that the Board grant you an option (the "Option") to purchase up to 40,000 shares of the Company's Common Stock under the 2004 Equity Incentive Plan (the "Plan") at an exercise price equal to the fair market value of the shares on the date of grant. We will provide your Option grant paperwork promptly after such grant has been made. Subject to the terms of the Plan and your related option agreement, your Option will vest as to 50% of the shares one year from the date referred to as the "Vesting Commencement Date", and as to an additional 50% of the shares one year thereafter such that your Option will be fully vested on the two year anniversary of the Vesting Commencement Date.

In addition to the time-based vesting described in the preceding paragraph, if you are a Director of the Company on the date of a Change of Control (as defined below) that occurs before the two-year anniversary of the Vesting Commencement Date, in the event that a successor corporation refuses to assume or substitute the Option with an equivalent option or right, 100% of the shares subject to the Option shall immediately vest as of the effective date of such Change of Control. Notwithstanding any accelerated vesting contained in this paragraph, your total number of shares subject to the Option granted herein shall not increase by virtue of a Change of Control.

"Change of Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

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(iii) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Second, in addition to the indemnification rights you, in your capacity as a director of the Company, will be entitled to under the Company's Bylaws and Certificate of Incorporation, we propose to grant you the additional contractual indemnification and related rights provided in the enclosed Indemnification Agreement.

Third, you will receive an annual retainer of \$30,000 in connection with your seat on the Board and an annual retainer of \$4,000 in connection with your participation on the Compensation Committee, subject to revision by the Board from time to time.

Fourth, the Company will reimburse you for international travel-related expenses associated with your attendance at Board of Directors meetings.

Finally, as you know, the Company's intellectual property and other proprietary information is one of our most important assets and we must all be vigilant in our protection of it. Although it goes without saying, I feel it is appropriate to remind all new directors of their fiduciary duties of loyalty and care to the Company. These include the duty to maintain the confidentiality of the Company's confidential and proprietary information and the duty to not use such information other than to promote the Company's best interests. I am sure that you can appreciate the importance of these matters to us.

Again, I am happy to extend this invitation to you. Your participation on our Board would be of great benefit to the Company.

Best Regards,

/s/ Michael Hsing

Michael Hsing, CEO

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Acknowledged and agreed:

/s/ Jeff Zhou

\_\_\_\_\_  
Jeff Zhou

Date: 1/2/2010

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**PRESS RELEASE**  
**For Immediate Release**

**Monolithic Power Systems, Inc.**  
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#### **Monolithic Power Systems, Inc. Appoints New Board Member**

**SAN JOSE, Calif. February 2, 2009** — Monolithic Power Systems (MPS) (Nasdaq: MPWR), a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors, today announced the appointment of Dr. Jeff Zhou to its Board of Directors and a member of its Compensation Committee.

“We are pleased to have a seasoned executive join our Board,” said Michael Hsing, chief executive officer of MPS. “Dr. Zhou’s extensive background in the global manufacturing and electronics industry will add new perspectives and strengthen our Board.”

“I am excited to join the Board of MPS, one of the fastest growing companies in the analog semiconductor industry,” said Jeff Zhou. Dr. Zhou is a senior business executive with over 20 years of industry experience at large, multi-national corporations with global footprints. Since 2010, Dr. Zhou has served as Chief Operating Officer at NDS Surgical Imaging. From 2008 to 2009, Dr. Zhou was Vice President of Global Engineering and General Manager of Asia Pacific Business at NDS Surgical Imaging. From 2005 to 2007, Dr. Zhou was Vice President of Engineering for several business divisions and General Manager of the China and India Design Centers at Flextronics Inc. From 2000 to 2005, he was Vice President and General Manager of several divisions at Honeywell International Inc. Dr. Zhou holds a Ph.D. degree in Electrical Engineering from the University of Florida.

#### **About Monolithic Power Systems, Inc.**

Monolithic Power Systems, Inc. (MPS) develops and markets proprietary, advanced analog and mixed-signal semiconductors. The company combines advanced process technology with its highly experienced analog designers to produce high-performance power management integrated circuits (ICs) for DC to DC converters, LED drivers, Cold Cathode Fluorescent Lamp (CCFL) backlight controllers, Class D audio amplifiers, and Linear ICs. MPS products are used extensively in computing and network communications products, LCD monitors and TVs, and a wide variety of consumer and portable electronics products. MPS partners with world-class manufacturing organizations to deliver top quality, ultra-compact, high-performance solutions through the most productive, cost-efficient channels. Founded in 1997 and headquartered in San Jose, California, the company has expanded its global presence with sales offices in Taiwan, China, Korea, Japan, and Europe, which operate under MPS International, Ltd.

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