2020 Annual Report

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

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended March 28, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from ________ to ________

Commission File Number 0-17795

CIRRUS LOGIC, INC.
(Exact name of registrant as specified in its charter)

Delaware	**77-0024818**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
800 W. 6th Street Austin, Texas	**78701**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (512) 851-4000
Securities registered pursuant to Section 12(b) of the Act:
None
Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.001 par value	CRUS	The NASDAQ Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was $2,157,695,761 based upon the closing price reported on the NASDAQ Global Select Market as of September 28, 2019. Stock held by directors, officers and stockholders owning 5 percent or more of the outstanding common stock were excluded as they may be deemed affiliates. This determination of affiliate status is not a conclusive determination for any other purpose.

As of May 18, 2020, the number of outstanding shares of the registrant's common stock, $0.001 par value, was 58,363,550.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the registrant's proxy statement for its annual meeting of stockholders to be held July 31, 2020 is incorporated by reference in Part II – Item 5 and Part III of this Annual Report on Form 10-K.

CIRRUS LOGIC, INC.

FORM 10-K

For The Fiscal Year Ended March 28, 2020

INDEX

PART I

Item 1.	Business	3
Item 1A.	Risk Factors	7
Item 1B.	Unresolved Staff Comments	23
Item 2.	Properties	23
Item 3.	Legal Proceedings	23
Item 4.	Mine Safety Disclosures	23

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	24
Item 6.	Selected Financial Data	26
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	26
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	36
Item 8.	Financial Statements and Supplementary Data	37
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	74
Item 9A.	Controls and Procedures	74

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	75
Item 11.	Executive Compensation	75
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	75
Item 13.	Certain Relationships and Related Transactions, and Director Independence	75
Item 14.	Principal Accounting Fees and Services	75

PART IV

Item 15.	Exhibits and Financial Statement Schedules	76
	Signatures	79

PART I

ITEM 1. *Business*

Cirrus Logic, Inc. ("Cirrus Logic," "We," "Us," "Our," or the "Company") is a leader in low-power, high-precision mixed-signal processing solutions that create innovative user experiences for the world's top mobile and consumer applications.

We were incorporated in California in 1984, became a public company in 1989 and were reincorporated in the State of Delaware in February 1999. Our primary facility housing engineering, sales and marketing, and administrative functions is located in Austin, Texas. We also have offices in various other locations in the United States, United Kingdom, Spain, the People's Republic of China, South Korea, Japan, Singapore, and Taiwan. Our common stock, which has been publicly traded since 1989, is listed on the NASDAQ's Global Select Market under the symbol CRUS.

We maintain a website with the address www.cirrus.com. We are not including the information contained on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the "SEC"). We also routinely post other important information on our website, including information specifically addressed to investors. We intend for the investor relations section of our website to be a recognized channel of distribution for disseminating information to the securities marketplace in general. To receive a free copy of this Annual Report on Form 10-K, please forward your written request to Cirrus Logic, Inc., Attn: Investor Relations, 800 W. 6th Street, Austin, Texas 78701, or via email at Investor.Relations@cirrus.com. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy and information statements filed electronically with the SEC by Cirrus Logic.

Company Strategy

Cirrus Logic targets growing markets where we can leverage our expertise in analog and mixed-signal processing to solve complex problems. Our approach has been to develop custom and general market components that embody our latest innovations, which we use to engage key players in a particular market or application. We focus on building strong engineering relationships with our customers' product teams and work to develop highly differentiated components that address their technical and price requirements across product tiers. Many of our products include programmable aspects and are comprised of our best-in-class hardware which incorporates software algorithms from some combination of our own intellectual property ("IP"), algorithms that have been ported to our platform by an ecosystem of third-party partners, and our customers' IP. When we have been successful with this approach, one initial design win has often expanded into additional products. This strategy gives us the opportunity to increase our content with a customer over time through the incorporation of new features, the integration of other system components into our products and the addition of new components.

Markets and Products

The following provides a detailed discussion regarding our portable and non-portable and other product lines.

Portable Products: Low-power, low-latency, high-precision analog and mixed-signal components designed for portable devices including smartphones, tablets, wearables and digital headsets.

Non-Portable and Other Products: High-precision analog and mixed-signal components targeting the non-mobile consumer, automotive, energy, and industrial markets, which are utilized in such applications as home theater systems, laptops, automotive entertainment systems, musical instruments, and satellite radio systems.

PORTABLE PRODUCTS

Cirrus Logic is a leading supplier of low power, low-latency, high-precision analog and mixed-signal components that are used in a variety of portable applications including smartphones, tablets, wearables, and

digital headsets. We have an extensive portfolio of products, including “codecs” — chips that integrate analog-to-digital converters (“ADCs”) and digital-to-analog converters (“DACs”) into a single integrated circuit (“IC”), “smart codecs” — codecs with digital signal processing integrated, boosted amplifiers, haptic and sensing solutions, as well as standalone digital signal processors (“DSPs”). Additionally, the Company’s SoundClear® technology consists of a broad portfolio of tools, software and algorithms that help to differentiate our customers’ products by improving the user experience with features such as enhanced voice quality, voice capture, speech recognition and audio playback.

NON-PORTABLE AND OTHER PRODUCTS

We provide high-precision analog and mixed-signal ICs for a variety of products in the automotive, energy, industrial, and non-mobile consumer markets, including the emerging smart home market. The Company supplies a wide range of products including codecs, ADCs, DACs, digital interfaces and amplifiers. Within the consumer market our products are utilized in laptops, home theater systems, musical instruments, automotive entertainment systems and satellite radio systems. Our products are also used in a wide array of high-precision industrial and energy-related applications including digital utility meters, power supplies, energy control, energy measurement, and energy exploration applications.

Customers, Marketing, and Sales

We offer products worldwide through both direct and indirect sales channels. Our major customers are among the world’s leading electronics manufacturers. We target both large existing and emerging customers that derive value from our expertise in advanced analog and mixed-signal design processing, systems-level integrated circuit engineering and embedded software development. We derive our revenues from both domestic and international sales. Our domestic sales force includes a network of direct sales offices located primarily in California and Texas. International sales offices and staff are located in Japan, People’s Republic of China, Singapore, South Korea, Taiwan, and the United Kingdom. We supplement our direct sales force with external sales representatives and distributors. We have technical support centers in China, South Korea, Taiwan and the United States. Our worldwide sales force provides geographically specific support to our customers and specialized selling of product lines with unique customer bases. See Note 19 — Segment Information, of the Notes to Consolidated Financial Statements contained in Item 8 for further detail and for additional disclosure regarding sales and property, plant and equipment, net, by geographic locations.

Since the components we produce are largely proprietary and generally not available from second sources, we generally consider our end customer to be the entity specifying the use of our component in their design. These end customers may then purchase our products directly from us, through distributors or third party manufacturers contracted to produce their designs. For fiscal years 2020, 2019, and 2018, our ten largest end customers, represented approximately 93 percent, 91 percent, and 92 percent, of our sales, respectively. For fiscal years 2020, 2019, and 2018, we had one end customer, Apple, Inc., who purchased through multiple contract manufacturers and represented approximately 79 percent, 78 percent, and 81 percent, of the Company’s total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2020, 2019, or 2018.

Manufacturing

As a fabless semiconductor company, we contract with third parties for wafer fabrication and product assembly and test. We use a variety of foundries in the production of wafers, primarily supplied by TSMC and GLOBALFOUNDRIES. The Company’s primary assembly and test houses include Advanced Semiconductor Engineering, Inc., STATS ChipPAC Pte. Ltd, Amkor Technology Inc., and SFA Semicon Co., Ltd. Our outsourced manufacturing strategy allows us to concentrate on our design strengths and minimize fixed costs and capital expenditures while giving us access to advanced manufacturing facilities. It also provides the flexibility to source multiple leading-edge technologies through strategic relationships. After wafer fabrication by the foundry, third-party assembly vendors package the wafer die. The finished products are then tested before shipment to our customers. While we do have some redundancy of fabrication processes by using multiple outside foundries, any

interruption of supply by one or more of these foundries could materially impact the Company. As a result, we maintain some amount of business interruption insurance to help reduce the risk of wafer supply interruption, but we are not fully insured against such risk. Our supply chain management organization is responsible for the management of all aspects of the manufacturing, assembly, and testing of our products, including process and package development, test program development, and production testing of products in accordance with our ISO-certified quality management system.

Although our products are made from basic materials (principally silicon, metals and plastics), all of which are available from a number of suppliers, capacity at wafer foundries sometimes becomes constrained. The limited availability of certain materials may impact our suppliers' ability to meet our demand needs or impact the price we are charged. The prices of certain other basic materials, such as metals, gases and chemicals used in the production of circuits can increase as demand grows for these basic commodities. In most cases, we do not procure these materials ourselves; nevertheless, we are reliant on such materials for producing our products because our outside foundry and package and test subcontractors must procure them. To help mitigate risks associated with constrained capacity, we use multiple foundries, assembly and test sources.

Patents, Licenses and Trademarks

We rely on patent, copyright, trademark, and trade secret laws to protect our intellectual property, products, and technology. As of March 28, 2020, we held approximately 3,400 pending and issued patents worldwide, which include approximately 1,160 granted U.S. patents, 475 U.S. pending patent applications and various international patents and applications. Our U.S. patents expire in calendar years 2020 through 2039. While our patents are an important element of our success, our business as a whole is not dependent on any one patent or group of patents. We do not anticipate any material effect on our business due to any patents expiring in 2020, and we continue to obtain new patents through our ongoing research and development.

We have maintained U.S. federal trademark registrations for CIRRUS LOGIC, CIRRUS, Cirrus Logic logo designs, and SoundClear, among others. These U.S. registrations may be renewed as long as the marks continue to be used in interstate commerce. We have also filed or obtained foreign registration for these marks in other countries or jurisdictions where we conduct, or anticipate conducting, `international business. To complement our own research and development efforts, we have also licensed and expect to continue to license, a variety of intellectual property and technologies important to our business from third parties.

Segments

We determine our operating segments in accordance with Financial Accounting Standards Board ("FASB") guidelines. Our Chief Executive Officer ("CEO") has been identified as the chief operating decision maker as defined by these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue performance in two product lines: Portable and Non-Portable and Other. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share operations support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology. Therefore, there is no discrete financial information maintained for these product lines.

See Note 19 — Segment Information, of the Notes to Consolidated Financial Statements contained in Item 8 for further details including sales by product line, as well as sales and property, plant and equipment, net, by geographic locations.

Research and Development

We concentrate our research and development efforts on the design and development of new products for each of our principal markets. We also fund certain advanced-process technology development, as well as other

emerging product opportunities. Our future success is highly dependent upon our ability to develop complex new products, transfer new products to volume production, introduce them into the marketplace in a timely fashion, and have them selected for design into products of systems manufacturers. Our future success may also depend on assisting our customers with integration of our components into their new products, including providing support from the concept stage through design, launch and production ramp.

Competition

Markets for our products are highly competitive and we expect that competition will continue to increase. Our ability to compete effectively and to expand our business will depend on our ability to continue to recruit key engineering talent, execute on new product developments, partner with customers to include these new products into their applications, and provide cost efficient versions of existing products. We compete with other semiconductor suppliers that offer standard semiconductors, application-specific standard products and fully customized ICs, including embedded software, chip and board-level products.

While no single company competes with us in all of our product lines, we face significant competition in all markets where our products are available. Within Portable, Cirrus Logic is a leading IC supplier with the complete end-to-end solution from capture to playback including codecs, smart codecs, boosted amplifiers, haptic and sensing solutions, and DSPs. We expect to face additional competition from new entrants in our markets, which may include both large domestic and international IC manufacturers and smaller, emerging companies. Our primary competitors include, but are not limited to AKM Semiconductor Inc., Analog Devices Inc., Dialog Semiconductor PLC, DSP Group, Goodix Technology, Maxim Integrated Products Inc., Qualcomm Incorporated, Realtek Semiconductor Corporation, Shanghai Awinic Technology Co., Ltd., Skyworks Solutions Inc., ST Microelectronics N.V., Synaptics Incorporated and Texas Instruments, Inc.

The principal competitive factors in our markets include: time to market; quality of hardware/software design and end-market systems expertise; price; product performance, features, quality and compatibility with standards; access to advanced process and packaging technologies at competitive prices; and sales and technical support, which includes assisting our customers with integration of our components into their new products and providing support from the concept stage through design, launch and production ramp.

Product life cycles may vary greatly by product category. For example, many portable audio devices have shorter design-in cycles; therefore, our competitors have increasingly frequent opportunities to achieve design wins in next-generation systems. Conversely, this also provides us frequent opportunities to displace competitors in products that have previously not utilized our design. The non-portable and other markets typically have longer life cycles, which provide continued revenue streams over longer periods of time.

Backlog

Sales are made primarily pursuant to short-term purchase orders for delivery of products. The quantity actually ordered by the customer, as well as the shipment schedules, are frequently revised, without significant penalty, to reflect changes in the customer's needs. The majority of our backlog is typically requested for delivery within six months. In markets where the end system life cycles are relatively short, customers typically request delivery in six to twelve weeks. We believe a backlog analysis at any given time gives little indication of our future business except on a short-term basis, principally within the next 60 days.

We utilize backlog as an indicator to assist us in production planning. However, backlog is influenced by several factors including market demand, pricing, and customer order patterns in reaction to product lead times. Quantities actually purchased by customers, as well as prices, are subject to variations between booking and delivery because of changes in customer needs or industry conditions. As a result, we believe that our backlog at any given time is an incomplete indicator of future sales.

Employees

As of March 28, 2020, we had 1,443 full-time employees. Of our full-time employees, 68 percent were engaged in research and product development activities, 27 percent in sales, marketing, general and

administrative activities, and 5 percent in manufacturing-related activities. We also employ individuals on a temporary basis and use the services of contractors as necessary, particularly in our software development and test organization. Our future success depends, in part, on our ability to continue to attract, retain and motivate highly qualified technical, marketing, engineering, and administrative personnel.

We have never had a work stoppage and the majority of our employees are not represented by collective bargaining agreements. We consider our employee relations to be good.

Forward-Looking Statements

This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements included or incorporated by reference in this Annual Report on Form 10-K, other than statements that are purely historical, are forward-looking statements. In some cases, forward-looking statements are identified by words such as “expect,” “anticipate,” “target,” “project,” “believe,” “goals,” “estimates,” “will,” “would,” “could,” “can,” “may,” “plan,” and “intend”, and other similar types of words and expressions. Variations of these types of words and similar expressions are intended to identify these forward-looking statements. Any statements that refer to our plans, expectations, strategies or other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are predictions based on management’s expectations as of the date of this filing and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ materially from those indicated or implied by our forward-looking statements include, but are not limited to, those discussed in *Item 1A. Risk Factors* and elsewhere in this report, as well as in the documents filed by us with the SEC, specifically the most recent reports on Form 10-Q and 8-K, each as it may be amended from time to time.

We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K, and we undertake no obligation, and expressly disclaim any duty, to revise or update this information, whether as a result of new information, events or circumstances after the filing of this report with the SEC, except as required by law. We urge readers to carefully review and consider the various disclosures made in this Annual Report on Form 10–K and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business. All forward-looking statements, expressed or implied, included in this Annual Report on Form 10-K and attributable to Cirrus Logic are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we may make or persons acting on our behalf may issue.

ITEM 1A. ***Risk Factors***

Our business faces significant risks. The risk factors set forth below may not be the only risks that we face and there is a risk that we may have failed to identify all possible risk factors. Additional risks that we are not aware of yet or that currently are not significant may adversely affect our business operations. You should read the following cautionary statements in conjunction with the factors discussed elsewhere in this and other Cirrus Logic filings with the SEC. These cautionary statements are intended to highlight certain factors that may affect the financial condition and results of operations of Cirrus Logic and are not meant to be an exhaustive discussion of risks that apply to companies such as ours.

We face risks related to global health epidemics that could impact our sales, supply chain and operations, resulting in significantly reduced revenue and operating results.

On March 11, 2020, the World Health Organization declared a pandemic related to a novel coronavirus (now termed COVID-19). While we expect the impacts of COVID-19 to have an adverse effect on our business, financial condition and results of operations, we are unable to predict the extent or nature of these impacts at this

time. The COVID-19 pandemic will likely heighten or exacerbate many of the other risks described in the risk factors listed in this Form 10-K and in our other filings with the Securities and Exchange Commission.

Any increase in the severity of the outbreak or additional government measures restricting movement or business operations, could cause a disruption to our supply of products to our customers – particularly with respect to the manufacture of semiconductor wafers that would have to go through extensive qualification to relocate manufacturing to a different fabrication facility. Even if our suppliers and service providers are operational, other third-party suppliers may be closed or not fully operational, resulting in a shortage of some components needed for our products or our customers' end products. Any disruption of our suppliers or customers and their contract manufacturers would likely impact our inventory, backlog, sales and operating results, as customers may cancel or reschedule orders on short notice. In addition, we have seen some reductions in commercial airline and cargo flights, and disruption to ports and other shipping infrastructure that resulted in increased transport times, which, if those disruptions were to intensify, could affect our ability to timely deliver our products.

During the COVID-19 pandemic, we have also experienced, and expect to continue to experience, disruptions to our business operations resulting from government stay-at-home directives, quarantines, self-isolations, travel restrictions, or other restrictions on the ability of our employees to perform their jobs that may impact our ability to develop and design our products in a timely manner, meet required milestones, or win new business. Any increased or additional disruptions to our business operations due to these restrictions would likely impact our ability to continue to maintain current levels of productivity.

In the longer term, the COVID-19 pandemic is likely to continue to adversely affect the economies and financial markets of many countries, leading to a global economic downturn and potentially a recession. This would also likely continue to adversely affect the demand environment for our products and those of our customers, particularly consumer products such as smartphones, which may, in turn, negatively affect our revenue and operating results.

We depend on a limited number of customers and distributors for a substantial portion of our sales, and the loss of, or a significant reduction in orders from, or pricing on products sold to, any key customer or distributor could significantly reduce our sales and our profitability.

While we generate sales from a broad base of customers worldwide, the loss of any of our key customers, or a significant reduction in sales or selling prices to any key customer, or reductions in selling prices made to retain key customer relationships, would significantly reduce our revenue, margins and earnings and adversely affect our business. For the twelve-month periods ending March 28, 2020, March 30, 2019, and March 31, 2018, our ten largest end customers represented approximately 93 percent, 91 percent, and 92 percent of our sales, respectively. For the twelve-month periods ending March 28, 2020, March 30, 2019, and March 31, 2018, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 79 percent, 78 percent and 81 percent of the Company's total sales, respectively.

We may not be able to maintain or increase sales to certain of our key customers for a variety of reasons, including the following:

- most of our customers can stop incorporating our products into their own products with limited notice to us and suffer little or no penalty;
- our agreements with our customers typically do not require them to purchase a minimum quantity of our products;
- many of our customers have pre-existing or concurrent relationships with our current or potential competitors that may affect the customers' decisions to purchase our products;
- many of our customers have sufficient resources to internally develop technology solutions and semiconductor components that could replace the products that we currently supply in our customers' end products;
- our customers face intense competition from other manufacturers that do not use our products; and

- our customers regularly evaluate alternative sources of supply in order to diversify their supplier base, which increases their negotiating leverage with us and their ability to either obtain or dual source components from other suppliers.

In addition, our dependence on a limited number of key customers may make it easier for them to pressure us on price reductions. We have experienced pricing pressure from certain key customers and we expect that the average selling prices for certain of our products will decline from time to time, potentially reducing our revenue, our margins and our earnings.

Our key customer relationships often require us to develop new products that may involve significant technological challenges. Our customers frequently place considerable pressure on us to meet their tight development schedules. In addition, we have, and may again in the future, enter into customer agreements providing for exclusivity periods during which we may only sell specified products or technology to a specific customer. Even without exclusivity periods, the products that we develop are often specific to our customer's system architecture and frequently cannot be sold to other customers. Accordingly, we may have to devote a substantial amount of resources to strategic relationships, which could detract from or delay our completion of other important development projects or the development of next generation products and technologies.

Moreover, our reliance on certain customers may continue to increase, which could heighten the risks associated with having key customers, including making us more vulnerable to significant reductions in revenue, margins and earnings, pricing pressure, and other adverse effects on our business.

Our lack of diversification in our revenue and customer base increases the risk of an investment in our company, and our consolidated financial condition, results of operations, and stock price may deteriorate if we fail to diversify.

Although we continue to investigate, invest in, and try to develop opportunities to diversify our revenue and customer base, our sales, marketing, and development efforts have historically been focused on a limited number of customers and opportunities. Larger companies have the ability to manage their risk by product, market, and customer diversification. However, we lack diversification, in terms of both the nature and scope of our business, which increases the risk of an investment in our company. If we cannot diversify our customer and revenue opportunities, our financial condition and results of operations could deteriorate.

We frequently develop our products for the specific system architecture of our customers' end products. If our customers were to change system architectures, develop competing technologies and integrated circuits, or incorporate some of the functionality of our products into other parts of the system, we risk the potential loss of revenue and reduced average selling prices.

Our customers, particularly in the portable market, could potentially transition to different audio architectures, develop their own competing technologies and integrated circuits, or integrate the functionality that our integrated circuits and software have historically provided into other components in their audio systems. In addition, some of the audio and voice functionality that we have historically provided could be performed outside of our customers' end product — for example, through the use of "cloud-based" systems to perform audio and voice processing. If our customers were to transition to these different system architectures, our results of operations could be adversely affected by the elimination of the need for our current technology and products, resulting in reduced average selling prices for our components and loss of revenue.

Our results may be affected by fluctuation in sales in the consumer electronics and smartphone markets.

Because we sell products primarily in the consumer electronics and smartphone markets, we are likely to be affected by any decrease in demand or unit volumes, seasonality in the sales of our products, and the cyclical nature of these markets. We have experienced, and expect to continue to experience, slowing growth in a maturing smartphone market, due to, among other factors, market saturation in developed countries, lengthening replacement cycles, and a growing market for refurbished devices. Further, a decline in consumer confidence and consumer spending relating to economic conditions, terrorist attacks, armed conflicts, oil prices, global health conditions, natural disasters, and/or the political stability of countries in which we operate or sell products could have a material adverse effect on our business.

We may be adversely impacted by global economic conditions. As a result, our financial results and the market price of our common shares may decline.

Global economic conditions could make it difficult for our customers, our suppliers, and us to accurately forecast and plan future business activities, and could cause global businesses to defer or reduce spending on our products, or increase the costs of manufacturing our products. During challenging economic times our customers and distributors may face issues gaining timely access to sufficient credit, which could impact their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for doubtful accounts and our days sales outstanding would increase. Additionally, if our own supply chain or others from whom our customers source are financially impacted and ultimately unable to deliver their required component(s), then our customers may delay or cancel their orders from us.

We cannot predict the timing, strength, or duration of any economic slowdown or subsequent economic recovery. If the economy or markets in which we operate were to deteriorate, our business, financial condition, and results of operations will likely be materially and/or adversely affected.

We have entered into joint development agreements, custom product arrangements, and strategic relationships with some of our largest customers. These arrangements subject us to a number of risks, and any failure to execute on any of these arrangements could have a material adverse effect on our business, results of operations, and financial condition.

We have entered into joint development, product collaboration and technology licensing arrangements with some of our largest customers, and we expect to enter into new strategic arrangements of these kinds from time to time in the future. Such arrangements can magnify several risks for us, including loss of control over the development and development timeline of jointly developed products, risks associated with the ownership of the intellectual property that is developed pursuant to such arrangements, and increased risk that our joint development activities may result in products that are not commercially successful or that are not available in a timely fashion. In addition, any third party with whom we enter into a joint development, product collaboration or technology licensing arrangement may fail to commit sufficient resources to the project, change its policies or priorities or abandon or fail to perform its obligations related to such arrangement. In addition, we have previously and may in the future enter into customer product arrangements that provide for exclusivity periods during which we may only sell specified products or technologies to that particular customer. Any failure to timely develop commercially successful products through our joint development activities as a result of any of these and other challenges could have a material adverse effect on our business, results of operations, and financial condition.

Our failure to develop and ramp new products into production in a timely manner could harm our operating results.

Our success depends upon our ability to develop new products for new and existing customers, and to introduce these products in a timely and cost-effective manner. New product introductions involve significant investment of resources and potential risks. Delays in new product introductions or less-than-anticipated market acceptance of our new products are possible and would have an adverse effect on our sales and earnings. The development of new products is highly complex and, from time-to-time, we have experienced delays in developing and introducing these new products. Successful product development and introduction depend on a number of factors including, but not limited to:

- proper new product definition;
- timely completion of design and testing of new products;
- assisting our customers with integration of our components into their new products, including providing support from the concept stage through design, launch and production ramp;
- successfully developing and implementing the software necessary to integrate our products into our customers’ products;
- achievement of acceptable manufacturing yields;

- availability of wafer fabrication, assembly, and test capacity; and
- market acceptance of our products and the products of our customers.

Both sales and/or margins may be materially affected if new product introductions are delayed, or if our products are not designed into successive generations of new or existing customers' products. Our failure to develop and introduce new products successfully could harm our business and operating results.

In addition, difficulties associated with adapting our technology and product design to the proprietary process technology and design rules of outside foundries can lead to reduced yields of our products. Since low yields may result from either design or process technology failures, yield problems may not be effectively determined or resolved until an actual product exists that can be analyzed and tested to identify process sensitivities relating to the design rules that are used. As a result, yield problems may not be identified until well into the production process, and resolution of yield problems may require cooperation between our manufacturer and us. This risk could be compounded by the offshore location of certain of our manufacturers, increasing the effort and time required to identify, communicate and resolve manufacturing yield problems. Manufacturing defects that we do not discover during the manufacturing or testing process may lead to costly product recalls. These risks may lead to increased costs or delayed product delivery, which would harm our profitability and customer relationships.

Changes in government trade policies, including the imposition of tariffs and export restrictions, could have an adverse impact on our business operations and sales.

The United States has recently enacted changes in government trade policies that could adversely impact our ability to sell products in certain countries, particularly in China. For example, the U.S. government has imposed tariffs on certain Chinese imports and, in return, the Chinese government has imposed or proposed tariffs on certain U.S. products. Additionally, export restrictions imposed by the U.S. government, including the addition of licensing requirements by the Bureau of Industry and Security ("BIS") through the addition of companies to the BIS Entity List, may require us to suspend our business with certain international customers if we conclude or are notified by the U.S. government that such business presents a risk of noncompliance with U.S. regulations. We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the U.S. and other countries, what products may be subject to such actions, or what actions may be taken by other countries in response. It also may not be possible to anticipate the timing or duration of such tariffs, export restrictions, or other U.S. regulatory actions. These government trade policies may materially adversely affect our sales and operations with current customers as well as impede our ability to develop relationships with new customers.

While we have received a license to sell to Huawei Technologies Co., Ltd. ("Huawei"), it is limited to specific products and there is no guarantee that we will be able to obtain a license for future products or for other entities if the U.S government adds other companies to the Entity List and/or subjects them to additional trade restrictions. Despite our receipt of licenses, Entity List restrictions may also encourage Huawei or other foreign customers to seek to obtain a greater supply of similar or substitute products from our competitors that are not subject to these restrictions or to develop their own solutions, especially as the Chinese government invests in developing its domestic semiconductor industry. This decreases our long-term competitiveness as a supplier to Chinese customers.

There is a risk of further escalation and retaliatory actions between the two countries. If significant tariffs or other restrictions are placed on goods imported into the United States from China or any related counter-measures are taken by China, our revenue and results of operations may be materially harmed. These tariffs may also make our customers' products more expensive for consumers, which may reduce consumer demand.

There is also a risk that the U.S. government may seek to implement more protective trade measures, not just with respect to China but with respect to other countries as well. This could include new or higher tariffs and even more restrictive trade barriers, such as prohibiting certain types of, or all sales of certain products or products sold by certain parties into the U.S. Any increased trade barriers or restrictions on global trade could have a materially adverse impact on our business and financial results.

We are subject to the export control regulations of the U.S. Department of State and the Department of Commerce. A violation of these export control regulations could have a material adverse effect on our business or our results of operations, cash flows, or financial position.

The nature of our international business subjects us to the export control regulations of the U.S. Department of State and the Department of Commerce. Any changes regarding such regulations or U.S. trade policy more generally, including potential adoption and expansion of trade restrictions, particularly with respect to China, might impact overall customer demand for our products or affect our ability to manufacture and/or sell our products overseas. Although we currently have a license to provide certain products and support to Huawei, it is possible that the U.S. government may view some of our efforts as outside the scope of our license, particularly given the complex and dynamic nature of export control regulations. Violation of these export control regulations could result in monetary penalties and denial of export privileges. The U.S. government is very strict with respect to compliance and has served notice generally that failure to comply with these regulations may subject violators to fines and/or imprisonment. Although we are not aware of any material violation of any export control regulations, a failure to comply with any of these regulations could have a material adverse effect on our business.

We continue to invest in research and development efforts for several new markets. If we are unable to commercialize these technologies, our future results and profits could be negatively affected.

Our investments into new markets, for example user authentication, subjects us to additional risks. We may have limited or no experience in these markets, and our customers may not adopt our new offerings. These new offerings may present new and difficult challenges, including risks related to technology, customers, competitors, product cycles, customer demand, terms and conditions and other industry specific issues which could negatively affect our operating results. These developing products and market segments may not grow as significantly as projected, or at all, and we may not realize an adequate return on our investments or may be required to write-down the value of certain tangible and intangible assets.

Our products are increasingly complex and could contain defects, which could result in material costs to us.

Product development in the markets we serve is becoming more focused on the integration of multiple functions on individual devices. There is a general trend towards increasingly complex products, including software or firmware developed by Cirrus Logic and/or third parties. The greater integration of functions and complexity of operations of our products increases the risk that we or our customers or end users could discover latent defects or subtle faults after volumes of product have been shipped. Quality and reliability issues could result in material costs and other adverse consequences to us, including, but not limited to:

- reduced margins;
- damage to our reputation;
- replacement costs for product warranty and support;
- payments to our customers related to recall claims, or the delivery of product replacements as part of a recall claim, as a result of various industry or business practices, contractual requirements, or in order to maintain good customer relationships;
- an adverse impact to our customer relationships by the occurrence of significant defects;
- a delay in recognition or loss of revenues, loss of market share, or failure to achieve market acceptance;
- writing off or reserving the value of inventory of such products; and
- a diversion of the attention of our engineering personnel from our product development efforts.

In addition, any defects or other problems with our products could result in financial losses or other damages to our customers who could seek damages from us for their losses. A product liability or warranty claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend. In particular, the sale of systems and components that are incorporated into certain applications for the automotive industry and/or

secure applications using our user authentication solutions involves a high degree of risk that such claims may be made.

While we believe that we are reasonably insured against some of these risks and that we have attempted to contractually limit our financial exposure with many of our customers, a warranty or product liability claim against us in excess of our available insurance coverage and established reserves, or a requirement that we participate in a customer product recall, could have material adverse effects on our business, results of operations, and financial condition.

We are subject to risks relating to product concentration.

We derive a substantial portion of our revenues from a limited number of products, and we expect these products to represent a large percentage of our revenues in the near term. Customer acceptance of these products is critical to our future success. Our business, operating results, financial condition and cash flows could therefore be adversely affected by:

- a decline in demand for any of our more significant products;
- a decline in the average selling prices of our more significant products;
- failure of our products to achieve continued market acceptance;
- competitive products;
- new technological standards or changes to existing standards that we are unable to address with our products;
- manufacturing or supply issues that prevent us from meeting our customers' demand for these products;
- a failure to release new products or enhanced versions of our existing products on a timely basis; and
- the failure of our new products to achieve market acceptance.

In general, our customers may cancel or reschedule orders on short notice without incurring significant penalties; therefore, our sales and operating results in any quarter are difficult to forecast.

In general, we rely on customers issuing purchase orders to buy our products rather than long-term supply contracts. Customers may cancel or reschedule orders on short notice without incurring significant penalties. This risk is potentially heightened for those customers with whom we have less experience regarding the reliability of their forecasts. Therefore, cancellations, reductions, or delays of orders from any significant customer could have a material adverse effect on our business, financial condition, and results of operations.

In addition, a significant portion of our sales and earnings in any quarter depends upon customer orders for our products that we receive and fulfill in that quarter. Because our expense levels are based in part on our expectations as to future revenue and to a large extent are fixed in the short term, we likely will be unable to adjust spending on a timely basis to compensate for any unexpected shortfall in sales or reductions in average selling prices. Accordingly, any significant shortfall of sales in relation to our expectations could hurt our operating results.

Strong competition in the semiconductor market may harm our business.

The IC industry is intensely competitive and is frequently characterized by rapid technological change, price erosion, technological obsolescence, and a push towards IC component integration. Because of shortened product life cycles and even shorter design-in cycles in a number of the markets that we serve, our competitors have increasingly frequent opportunities to achieve design wins in next-generation systems. As markets mature and components become commoditized, competitors that can tolerate lower margins/operating income pose a risk to our profitability and growth. In the event that competitors succeed in supplanting our products, our market share may not be sustainable and our net sales, gross margin and operating results would be adversely affected.

We compete in a number of markets. Our principal competitors in these markets include AKM Semiconductor Inc., Analog Devices Inc., Dialog Semiconductor PLC, DSP Group, Goodix Technology, Maxim

Integrated Products Inc., Qualcomm Incorporated, Realtek Semiconductor Corporation, Shanghai Awinic Technology Co., Ltd., Skyworks Solutions Inc., ST Microelectronics N.V., Synaptics Incorporated and Texas Instruments, Inc. Many of these competitors have greater financial, engineering, manufacturing, marketing, technical, distribution, and other resources; broader product lines; and broader intellectual property portfolios. We also expect intensified competition from emerging companies and from customers who develop their own IC products. In addition, some of our current and future competitors maintain their own fabrication facilities, which could benefit them in connection with cost, capacity, and technical issues.

Increased competition could adversely affect our business. We cannot provide assurances that we will be able to compete successfully in the future or that competitive pressures will not adversely affect our financial condition and results of operations. Competitive pressures could reduce market acceptance of our products and result in price reductions and increases in expenses that could adversely affect our business and our financial condition.

Our sales could be materially impacted by the failure of other component suppliers to deliver required parts needed in the final assembly of our customers' end products.

The products we supply our customers are typically a portion of the many components provided from multiple suppliers in order to complete the final assembly of an end product. If one or more of these other component suppliers are unable to deliver their required component(s) in order for the final end product to be assembled, our customers may delay, or ultimately cancel, their orders from us.

We are dependent on third-party manufacturing and supply chain relationships for the majority of our products. Our reliance on third-party foundries and suppliers involves certain risks that may result in increased costs, delays in meeting our customers' demand, and loss of revenue.

We do not own or operate a semiconductor fabrication facility and do not have the resources to manufacture the majority of our products internally. We use third parties to manufacture, assemble, package and test the vast majority of our products. As a result, we are subject to risks associated with these third parties, including:

- insufficient capacity available to meet our demand;
- inadequate manufacturing yields and excessive costs;
- inability of these third parties to obtain an adequate supply of raw materials;
- difficulties selecting and integrating new subcontractors;
- limited warranties on products supplied to us;
- potential increases in prices; and
- increased exposure to potential misappropriation of our intellectual property.

Our outside foundries and assembly and test suppliers generally manufacture our products on a purchase order basis, and we have few long-term supply arrangements with these suppliers. Therefore, our third-party manufacturers and suppliers are not obligated to supply us with products for any specific period of time, quantity, or price, except as may be provided in any particular purchase order or in relation to an existing supply agreement. A manufacturing or supply disruption experienced by one or more of our outside suppliers or a disruption of our relationship with an outside foundry could negatively impact the production of certain of our products for a substantial period of time.

In addition, difficulties associated with adapting our technology and product design to the proprietary process technology and design rules of outside foundries can lead to reduced yields of our products. Since low yields may result from either design or process technology failures, yield problems may not be effectively determined or resolved until an actual product exists that can be analyzed and tested to identify process sensitivities relating to the design rules that are used. As a result, yield problems may not be identified until well into the production process, and resolution of yield problems may require cooperation between our manufacturer and us. This risk could be compounded by the offshore location of certain of our manufacturers, increasing the

effort and time required to identify, communicate and resolve manufacturing yield problems. Manufacturing defects that we do not discover during the manufacturing or testing process may lead to costly product recalls. These risks may lead to increased costs or delayed product delivery, which would harm our profitability and customer relationships.

In some cases, our requirements may represent a small portion of the total production of the third-party suppliers. As a result, we are subject to the risk that a producer will cease production of an older or lower-volume process that it uses to produce our parts. We cannot provide any assurance that our external foundries will continue to devote resources to the production of parts for our products or continue to advance the process design technologies on which the manufacturing of our products are based. Each of these events could increase our costs, lower our gross margin, and cause us to hold more inventories, or materially impact our ability to deliver our products on time.

We may experience difficulties developing and transitioning to advanced manufacturing process technologies, which could materially adversely affect our results.

Our future success depends in part on our ability to transition our current development and production efforts to advanced manufacturing process technologies. We are currently making a significant investment to transition our products and intellectual property to next-generation circuit geometries, for example 22 nanometers. If we are unable to reliably model behaviors required for circuit design and product requirements, then our product development may be adversely impacted. To the extent that we do not timely develop or transition to smaller geometries, experience difficulties in shifting to smaller geometries, or have significant quality or reliability issues at these smaller geometries, our results could be materially adversely affected.

System security risks, data protection breaches, cyber-attacks and other related cyber security issues could disrupt our internal operations and/or supply chain, and any such disruption could increase our expenses, damage our reputation and adversely affect our stock price.

Security measures at Cirrus Logic and/or within our manufacturing and supply chain are subject to third-party security breaches, employee error, malfeasance, faulty password management, and other irregularities. We manage and store various proprietary information and sensitive or confidential data relating to our business. In addition, we manage and store a significant amount of proprietary and sensitive or confidential information from third parties, such as our customers. Hackers may be able to penetrate our security controls and misappropriate or compromise such confidential information, create system disruptions or cause shutdowns. Hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our websites, products or otherwise exploit any security vulnerabilities. This risk may be heightened when our employees are working remotely.

Our development and sale of security-related products, such as user authentication solutions, may make us a particularly attractive target of cyber-attacks. Sophisticated individuals or entities acting maliciously may attempt to penetrate our networks in an effort to undermine or disclose information related to the design and security of our user authentication products. Any failure to prevent or mitigate security breaches and improper access to the algorithms, techniques, or authentication keys used in our user authentication solution could harm our business reputation, diminish our competitive position in that market, and expose us to significant expense and liability associated with a customer’s implementation of our solution.

The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions.

Any breach of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers, including the potential loss or disclosure of such information or data as a result of fraud, trickery or other forms of deception, could result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business.

We have significant international sales, and risks associated with these sales could harm our operating results.

International sales represented 99 percent of our net sales in fiscal year 2020, and 98 percent of our net sales in each of fiscal years 2019 and 2018. We expect international sales to continue to represent a significant portion of product sales. This reliance on international sales subjects us to the risks of conducting business internationally, including risks associated with political and economic instability, global health conditions, currency controls, exchange rate fluctuations and changes in import/export regulations, and tariff and freight rates. For example, the political or economic instability in a given region may have an adverse impact on the financial position of end users in the region, which could affect future orders and harm our results of operations. Our international sales operations involve a number of other risks including, but not limited to:

- unexpected changes in government regulatory requirements;
- sales, VAT, or other indirect tax regulations and treaties and potential changes in regulations and treaties in the United States and in and between countries in which we manufacture or sell our products;
- changes to countries' banking and credit requirements;
- changes in diplomatic and trade relationships;
- delays resulting from difficulties in obtaining export licenses for technology, particularly in China;
- any changes in U.S. trade policy, including potential adoption and expansion of trade restrictions, higher tariffs, or cross border taxation by the U.S. government involving other countries, particularly China, that might impact overall customer demand for our products or affect our ability to manufacture and/or sell our products overseas;
- tariffs and other barriers and restrictions, particularly in China;
- competition with non-U.S. companies or other domestic companies entering the non-U.S. markets in which we operate;
- longer sales and payment cycles;
- problems in collecting accounts receivable;
- changes to economic, social, or political conditions in countries such as China, where we have significant operations; and
- the burdens of complying with a variety of non-U.S. laws.

In addition, our competitive position may be affected by the exchange rate of the U.S. dollar against other currencies. While our sales are predominately denominated in U.S. dollars, increases in the value of the dollar would increase the price in local currencies of our products in non-U.S. markets and make our products relatively more expensive. We cannot provide assurances that regulatory, political and other factors will not adversely affect our operations in the future or require us to modify our current business practices.

We could be subject to changes in tax laws, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities.

We are subject to taxes in the U.S. and numerous foreign jurisdictions, including the United Kingdom, where a number of our subsidiaries are organized. Due to economic and political conditions, tax laws in various jurisdictions may be subject to significant change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation, including in the U.S. and the United Kingdom. We are also subject to the examination of our tax returns and other tax matters by the Internal Revenue Service of the United States (the "IRS") and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, particularly in the U.S. or the United Kingdom, or if the ultimate determination of taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows, and financial condition could be adversely affected.

Significant judgment is required in the calculation of our tax provision and the resulting tax liabilities. Our estimates of future taxable income and the regional mix of this income can change as new information becomes available. Any such changes in our estimates or assumptions can significantly impact our tax provision in a given period.

Our international operations subject our business to additional political and economic risks that could have an adverse impact on our business.

In addition to international sales constituting a large portion of our net sales, we maintain international operations, sales, and technical support personnel. International expansion has required, and will continue to require, significant management attention and resources. There are risks inherent in expanding our presence into non-U.S. regions, including, but not limited to:

- difficulties in staffing and managing non-U.S. operations;
- failure in non-U.S. regions to adequately protect our intellectual property, patent, trademarks, copyrights, know-how, and other proprietary rights;
- global health conditions and potential natural disasters, including those resulting from climate change;
- political and economic instability in international regions;
- international currency controls and exchange rate fluctuations;
- vulnerability to terrorist groups targeting American interests abroad; and
- legal uncertainty regarding liability and compliance with non-U.S. laws and regulatory requirements.

If we are unable to successfully manage the demands of our international operations, it may have a material adverse effect on our business, financial condition, or results of operations.

On June 23, 2016, the United Kingdom (U.K.) held a referendum in which voters approved an exit from the European Union (the "E.U."), commonly referred to as "Brexit." Following the referendum result, the British government invoked Article 50 of the Lisbon Treaty on March 29, 2017, and the U.K. formally left the E.U. on 31 January 2020. The E.U. and the U.K. have until 31 December 2020, the end of a "transition period," to negotiate an agreement on the terms of the U.K.'s withdrawal, i.e., the U.K.'s future relationship with the E.U. It is still unknown what those terms will be, however, it is recognized that there will be greater restrictions on immigration between the U.K. and E.U. countries that make it more difficult to staff our U.K. operations, changes in tax laws that negatively impact our effective tax rate, restrictions on imports and exports between the U.K. and E.U. member states, and increased regulatory complexities. It remains possible that there could still be a "no deal" outcome, whereby the U.K. exits the transition period without an agreement related to the withdrawal from the E.U., or that the transition period is extended beyond 31 December 2020. These changes may adversely affect our operations and financial results.

Because we depend on subcontractors internationally to perform key manufacturing functions for us, we are subject to political, economic, and natural disaster risks that could disrupt the fabrication, assembly, packaging, or testing of our products.

We depend on third-party subcontractors, primarily in Asia, for the fabrication, assembly, packaging, and testing of most of our products. International operations may be subject to a variety of risks, including political instability, global health conditions, currency controls, exchange rate fluctuations, changes in import/export regulations, tariff and freight rates, as well as the risks of natural disasters such as earthquakes, tsunamis, and floods. Although we seek to reduce our dependence on any one subcontractor, this concentration of subcontractors and manufacturing operations in Asia subjects us to the risks of conducting business internationally, including associated political and economic conditions. If we experience manufacturing problems at a particular location, or a supplier is unable to continue operating due to financial difficulties, natural disasters, or other reasons, we would be required to transfer manufacturing to a backup supplier. The substantial majority of our semiconductor wafers are manufactured by TSMC at fabs in Taiwan, and Global Foundries in Singapore

and Germany. Converting or transferring manufacturing from a primary supplier to a backup facility could be expensive and time consuming. As a result, delays in our production or shipping by the parties to whom we outsource these functions could reduce our sales, damage our customer relationships, and damage our reputation in the marketplace, any of which could harm our business, results of operations, and financial condition.

Our products may be subject to average selling prices that decline over time. If we are unable to maintain average selling prices for existing products, increase our volumes, introduce new or enhanced products with higher selling prices, or reduce our costs, our business and operating results could be harmed.

Historically in the semiconductor industry, average selling prices of products have decreased over time. Moreover, our dependence on a limited number of key customers may make it easier for key customers to pressure us to reduce the prices of the products we sell to them. If the average selling price of any of our products declines and we are unable to increase our unit volumes, introduce new or enhanced products with higher margins, and/or reduce manufacturing costs to offset anticipated decreases in the prices of our existing products, our operating results may be adversely affected. In addition, because of procurement lead times, we are limited in our ability to reduce total costs quickly in response to any reductions in prices or sales shortfalls. Because of these factors, we may experience material adverse fluctuations in our future operating results on a quarterly or annual basis.

As we carry only limited insurance coverage, uninsured or under-insured losses could adversely affect our financial condition and results of operations.

Our insurance policies may not be adequate to fully offset losses from covered incidents, and we do not have coverage for certain losses. For example, there is limited coverage available with respect to the services provided by our third-party foundries and assembly and test subcontractors. Although we believe that our existing insurance coverage is consistent with common practices of companies in our industry, our insurance coverage may be inadequate to protect us against product recalls, natural disasters, cybersecurity attacks, and other unforeseen catastrophes that could adversely affect our financial condition and results of operations.

Shifts in industry-wide capacity and our practice of ordering and purchasing our products based on sales forecasts may result in significant fluctuations in inventory and our quarterly and annual operating results.

We rely on independent foundries and assembly and test houses to manufacture our products. Our reliance on these third- party suppliers involves certain risks and uncertainties. For example, shifts in industry-wide capacity from shortages to oversupply, or from oversupply to shortages, may result in significant fluctuations in our quarterly and annual operating results. In addition, we may order wafers and build inventory in advance of receiving purchase orders from our customers. Because our industry is highly cyclical and is subject to significant downturns resulting from excess capacity, overproduction, reduced demand, order cancellations, or technological obsolescence, there is a risk that we will forecast inaccurately and produce excess inventories of particular products. In addition, if we experience supply constraints or manufacturing problems at a particular supplier, we could be required to switch suppliers or qualify additional suppliers. The substantial majority of our semiconductor wafers are manufactured at a limited number of fabrication facilities and, for a given product, the wafers are typically sourced at a single facility. Switching and/or qualifying additional suppliers could be an expensive process and take as long as six to twelve months to complete, which could result in material adverse fluctuations to our operating results.

We generally order our products through non-cancelable purchase orders from third-party foundries based on our sales forecasts, and our customers can generally cancel or reschedule orders they place with us without significant penalties. If we do not receive orders as anticipated by our forecasts, or our customers cancel orders that are placed, we may experience increased inventory levels.

Due to the product manufacturing cycle characteristic of IC manufacturing and the inherent imprecision in the accuracy of our customers' forecasts, product inventories may not always correspond to product demand, leading to shortages or surpluses of certain products. As a result of such inventory imbalances, future inventory write-downs and charges to gross margin may occur due to lower of cost or market accounting, excess inventory, and inventory obsolescence.

We have historically experienced fluctuations in our operating results and expect these fluctuations to continue in future periods.

Our quarterly and annual operating results are affected by a wide variety of factors that could materially and adversely affect our net sales, gross margin, and operating results. If our operating results fall below expectations of market analysts or investors, the market price of our common stock could decrease significantly. We are subject to business cycles and it is difficult to predict the timing, length, or volatility of these cycles. These business cycles may create pressure on our sales, gross margin, and/or operating results.

Factors that could cause fluctuations and materially and adversely affect our net sales, gross margin and/or operating results include, but are not limited to:

- the volume and timing of orders received;
- changes in the mix of our products sold;
- market acceptance of our products and the products of our customers;
- excess or obsolete inventory;
- pricing pressures from competitors and key customers;
- our ability to introduce new products on a timely basis;
- the timing and extent of our research and development expenses;
- the failure to anticipate changing customer product requirements;
- disruption in the supply of wafers, assembly, or test services;
- reduction of manufacturing yields;
- certain production and other risks associated with using independent manufacturers, assembly houses, and testers; and
- product obsolescence, price erosion, competitive developments, and other competitive factors.

We may be unable to protect our intellectual property rights.

Our success depends in part on our ability to obtain patents and to preserve our other intellectual property rights covering our products. We seek patent protection for those inventions and technologies for which we believe such protection is suitable and is likely to provide a competitive advantage to us. We also rely on trade secrets, proprietary technology, non-disclosure and other contractual terms, and technical measures to protect our technology and manufacturing knowledge. We actively work to foster continuing technological innovation to maintain and protect our competitive position. We cannot provide assurances that steps taken by us to protect our intellectual property will be adequate, that our competitors will not independently develop or design around our patents, or that our intellectual property will not be misappropriated. In addition, the laws of some non-U.S. countries may not protect our intellectual property as well as the laws of the United States.

Any of these events could materially and adversely affect our business, operating results, or financial condition. Policing infringement of our technology is difficult, and litigation may be necessary in the future to enforce our intellectual property rights. Any such litigation could be expensive, take significant time, and divert management's attention.

Potential intellectual property claims and litigation could subject us to significant liability for damages and could invalidate our proprietary rights.

The IC industry is characterized by frequent litigation regarding patent and other intellectual property rights. We may find it necessary to initiate lawsuits to assert our patent or other intellectual property rights. These legal proceedings could be expensive, take significant time, and divert management's attention. We cannot provide assurances that we will ultimately be successful in any lawsuit, nor can we provide assurances that any patent

owned by us will not be invalidated, circumvented, or challenged. We cannot provide assurances that rights granted under our patents will provide competitive advantages to us, or that any of our pending or future patent applications will be issued with the scope of the claims sought by us, if at all.

As is typical in the IC industry, our customers and we have, from time to time, received and may in the future receive, communications from third parties asserting patents, mask work rights, or copyrights. In the event third parties were to make a valid intellectual property claim and a license was not available on commercially reasonable terms, our operating results could be harmed. Litigation, which could result in substantial cost to us and diversion of our management, technical and financial resources, may also be necessary to defend us against claimed infringement of the rights of others. An unfavorable outcome in any such litigation could have an adverse effect on our future operations and/or liquidity.

If we fail to attract, hire and retain qualified personnel, we may not be able to develop, market, or sell our products or successfully manage our business.

Competition for highly qualified personnel in our industry is intense. The number of technology companies in the geographic areas in which we operate is greater than it has been historically and we expect competition for qualified personnel to intensify. There are only a limited number of individuals in the job market with the requisite skills. Furthermore, changes in immigration laws and regulations, or the administration or enforcement of such laws or regulations, can also impair our ability to attract and retain qualified personnel. Anticipated changes to the immigration system in the U.K. brought about by Brexit will make it harder to employ E.U. nationals to work in the U.K. Our Human Resources organization focuses significant efforts on attracting and retaining individuals in key technology positions. The loss of the services of key personnel or our inability to hire new personnel with the requisite skills or to assimilate talent could restrict our ability to develop new products or enhance existing products in a timely manner, sell products to our customers, or manage our business effectively.

We may acquire other companies or technologies, which may create additional risks associated with our ability to successfully integrate them into our business.

We continue to consider future acquisitions of other companies, or their technologies or products, to improve our market position, broaden our technological capabilities, and expand our product offerings. If we are able to acquire companies, products or technologies that would enhance our business, we could experience difficulties in integrating them. Integrating acquired businesses involves a number of risks, including, but not limited to:

- the potential disruption of our ongoing business;
- unexpected costs or incurring unknown liabilities;
- the diversion of management resources from other strategic and operational issues;
- the inability to retain the employees of the acquired businesses;
- difficulties relating to integrating the operations and personnel of the acquired businesses;
- adverse effects on our existing customer relationships or the existing customer relationships of acquired businesses;
- the potential incompatibility of the acquired business or their business customers;
- adverse effects associated with entering into markets and acquiring technologies in areas in which we have little experience; and
- acquired intangible assets, including goodwill, becoming impaired as a result of technological advancements or worse-than-expected performance of the acquired business.

If we are unable to successfully address any of these risks, our business could be harmed.

Our stock price has been and is likely to continue to be volatile.

The market price of our common stock fluctuates significantly. This fluctuation has been or may be the result of numerous factors, including, but not limited to:

- actual or anticipated fluctuations in our operating results;
- announcements concerning our business or those of our competitors, customers, or suppliers;
- loss of a significant customer, or customers;
- changes in financial estimates by securities analysts or our failure to perform as anticipated by the analysts;
- news, commentary, and rumors emanating from the media relating to our customers, the industry, or us. These reports may be unrelated to the actual operating performance of the Company, and in some cases, may be potentially misleading or incorrect;
- announcements regarding technological innovations or new products by us or our competitors;
- announcements by us of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
- announcements by us of significant divestitures or sale of certain assets or intellectual property;
- litigation arising out of a wide variety of matters, including, among others, employment matters and intellectual property matters;
- departure of key personnel;
- a significant stockholder selling for any reason;
- general conditions in the IC industry; and
- general market conditions and interest rates.

Our foreign currency exposures may change over time as the level of activity in foreign markets grows and could have an adverse impact upon financial results.

As a global enterprise, we face exposure to adverse movements in foreign currency exchange rates. Certain of our assets, including certain bank accounts, exist in non-U.S. dollar-denominated currencies, which are sensitive to foreign currency exchange rate fluctuations. The non-U.S. dollar-denominated currencies are principally the British Pound Sterling. We also have a significant number of employees that are paid in foreign currency, the largest group being United Kingdom-based employees who are paid in British Pounds Sterling.

If the value of the U.S. dollar weakens relative to these specific currencies, the cost of doing business in terms of U.S. dollars rises. With the growth of our international business, our foreign currency exposures may grow and under certain circumstances, could harm our business.

If we do not hedge against these risks, or our attempts to hedge against these risks are not successful, our financial condition and results of operations could be adversely affected.

Our debt obligations may be a burden on our future cash flows and cash resources.

On July 12, 2016, Cirrus Logic entered into an amended and restated credit agreement (the "Credit Agreement") which provides for a $300 million senior secured revolving credit facility (the "Credit Facility"). As of March 28, 2020, the Company did not have an outstanding balance under the Credit Facility. The Credit Facility matures on July 12, 2021. To the extent the Company has an outstanding balance, our ability to repay the principal of, to pay interest on or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive, regulatory and other factors, some of which are beyond our control. Our business may not generate cash flow from operations in the future sufficient to satisfy our obligations or to make necessary capital expenditures. If we are unable to generate such cash flow, we may be

required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, or refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on the Credit Agreement.

Our Credit Agreement contains restrictions that could limit our flexibility in operating our business.

Our Credit Agreement contains various covenants that could limit our ability to engage in specified types of transactions under certain conditions. These covenants could limit our ability to, among other things:

- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- incur additional indebtedness or issue certain preferred shares;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

A breach of any of these covenants could result in a default under the Credit Agreement. In the event of a default under the Credit Agreement, the lenders could elect to declare all amounts outstanding to be immediately due and payable. If our lenders accelerate the repayment of borrowings, we may not be able to repay our debt obligations. If we were unable to repay amounts due to the lenders under our credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness.

We have provisions in our Certificate of Incorporation and Bylaws, and are subject to certain provisions of Delaware law, which could prevent, delay or impede a change of control of our company. These provisions could affect the market price of our stock.

Certain provisions of Delaware law and of our Certificate of Incorporation and Bylaws could make it more difficult for a third party to acquire us, even if our stockholders support the acquisition. These provisions include, but are not limited to:

- the inability of stockholders to call a special meeting of stockholders;
- a prohibition on stockholder action by written consent; and
- a requirement that stockholders provide advance notice of any stockholder nominations of directors or any proposal of new business to be considered at any meeting of stockholders.

We are also subject to the anti-takeover laws of Delaware that may prevent, delay or impede a third party from acquiring or merging with us, which may adversely affect the market price of our common stock.

We are subject to the risks of owning real property.

We currently own our U.S. headquarters and research facility in Austin, Texas. The ownership of our U.S. properties subjects us to the risks of owning real property, which may include:

- the possibility of environmental contamination and the costs associated with correcting any environmental problems;
- adverse changes in the value of these properties, due to interest rate changes, changes in the neighborhood in which the property is located, or other factors; and
- the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the buildings as a result of fire, floods, or other natural disasters.

ITEM 1B. ***Unresolved Staff Comments***

None.

ITEM 2. ***Properties***

As of March 28, 2020, our principal facilities are located in Austin, Texas and Edinburgh, Scotland, United Kingdom. The Austin facilities, which we own, consist of approximately 155,000 square feet of office space and are primarily occupied by research and development personnel and testing equipment. In addition, our failure analysis and reliability facility occupies approximately 27,000 square feet.

Additionally, we have various leased facilities in Austin, Texas, consisting of approximately 157,000 square feet. This includes approximately 151,000 square feet of leased space that houses a mixture of administrative personnel as well as research and development personnel.

In connection with our acquisition of Wolfson Microelectronics ("*Wolfson*") on August 21, 2014, we acquired Wolfson's corporate headquarters located in Edinburgh, Scotland, United Kingdom. This building consisted of approximately 50,000 square feet of office space. We sold this building in the fourth quarter of fiscal year 2019 and recorded a $4.9 million gain on the sale. This gain is presented as a separate line item in the Consolidated Statements of Income as "*Gain on sale of assets"*. Additionally, we lease approximately 110,000 square feet of office space and 27,000 square feet of high quality lab space in Edinburgh. See further details below in Results of Operation.

Below is a detailed schedule that identifies our principal locations of occupied leased and owned property as of March 28, 2020, with various lease terms through calendar year 2028. We believe that these facilities are suitable and adequate to meet our current operating needs.

Design Centers	Sales Support Offices – International
Austin, Texas	Hong Kong, China
Mesa, Arizona	Shanghai, China
Salt Lake City, Utah	Shenzhen, China
Edinburgh, Scotland, United Kingdom	Tokyo, Japan
Newbury, England, United Kingdom	Singapore
London, England, United Kingdom	Seoul, South Korea
Madrid, Spain	Taipei, Taiwan

See Note 14 — Commitments and Contingencies of the Notes to Consolidated Financial Statements contained in Item 8 for further detail.

ITEM 3. ***Legal Proceedings***

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made.

Based on current knowledge, management does not believe that there are any pending matters that could potentially have a material adverse effect on our business, financial condition, results of operations or cash flows. However, we are engaged in various legal actions in the normal course of business. While there can be no assurances in light of the inherent uncertainties involved in any potential legal proceedings, some of which are beyond our control, an adverse outcome in any legal proceeding could be material to our results of operations or cash flows for any particular reporting period.

ITEM 4. ***Mine Safety Disclosures***

Not applicable.

PART II

ITEM 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is traded on the NASDAQ's Global Select Market under the symbol CRUS.

As of May 18, 2020, there were approximately 390 holders of record of our common stock.

The information under the caption "Equity Compensation Plan Information" in the proxy statement to be delivered to stockholders in connection with our Annual Meeting of Stockholders to be held on July 31, 2020 (the "Proxy Statement") is incorporated herein by reference.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information about purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the three months ended March 28, 2020 (in thousands, except per share amounts):

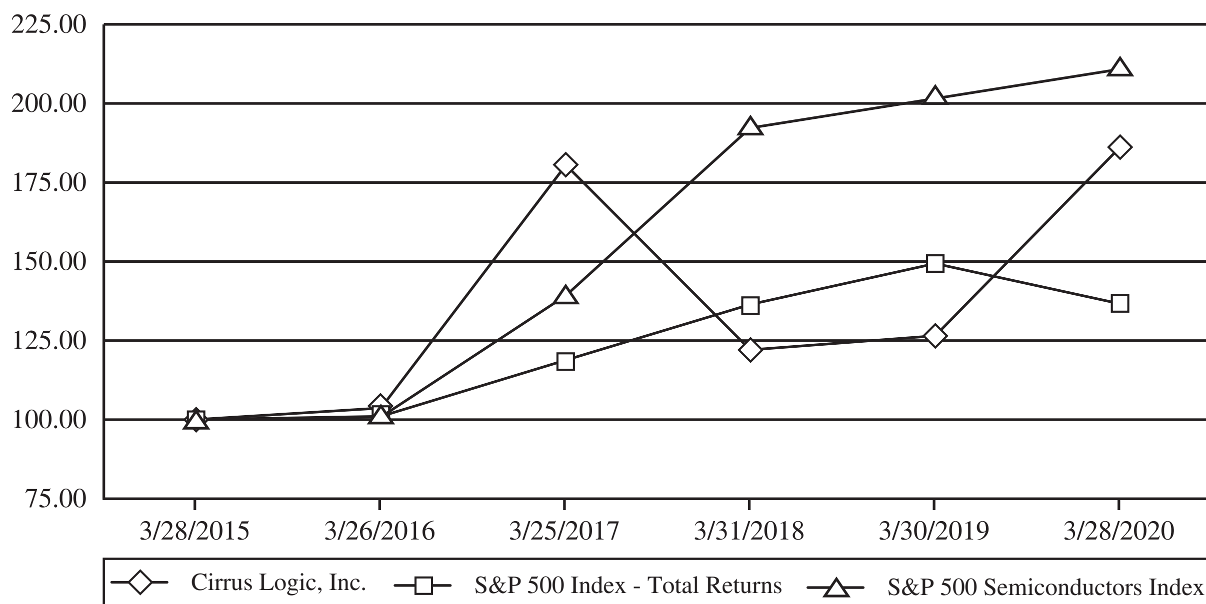
Monthly Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
December 29, 2019 - January 25, 2020	$ —	$ —	$ —	$ —
January 26, 2020 - February 22, 2020	255	78.43	255	149,981
February 23, 2020 - March 28, 2020	428	70.06	428	120,001
Total	$683	$73.18	683	$120,001

(1) The Board of Directors authorized a share repurchase program of up to $200 million in January 2019. The Company repurchased 0.7 million shares of its common stock for $50.0 million during the fourth quarter of fiscal year 2020. All of these shares were repurchased in the open market and were funded from existing cash. All shares of our common stock that were repurchased were retired as of March 28, 2020. The repurchases are to be funded from existing cash and intended to be effected from time to time in accordance with applicable securities laws through the open market or in privately negotiated transactions. The timing of the repurchases and the actual amount purchased depend on a variety of factors including general market and economic conditions and other corporate considerations. The programs do not have an expiration date, do not obligate the Company to repurchase any particular amount of common stock, and may be modified or suspended at any time at the Company's discretion.

Stock Price Performance Graph

The following graph and table show a comparison of the five-year cumulative total stockholder return, calculated on a dividend reinvestment basis, for Cirrus Logic, the Standard & Poor's 500 Composite Index (the "S&P 500 Index"), and the Semiconductor Subgroup of the Standard & Poor's Electronics Index (the "S&P 500 Semiconductors Index").

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of $100
March 2020



	3/28/2015	3/26/2016	3/25/2017	3/31/2018	3/30/2019	3/28/2020
Cirrus Logic, Inc.	100.00	103.54	180.41	122.05	126.37	186.00
S&P 500 Index	100.00	100.93	118.70	136.43	149.38	136.61
S&P 500 Semiconductors Index	100.00	100.74	139.11	192.13	201.41	210.86

(1) The graph assumes that $100 was invested in our common stock and in each index at the market close on March 28, 2015, and that all dividends were reinvested. No cash dividends were declared on our common stock during the periods presented.

(2) Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

The information in this Annual Report on Form 10-K appearing under the heading "Stock Price Performance Graph" is being "furnished" pursuant to Item 201(e) of Regulation S-K under the Securities Act of 1933, as amended, and shall not be deemed to be "soliciting material" or "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C, other than as provided in Item 201(e) of Regulation S-K, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 6. *Selected Financial Data*

The information contained below should be read along with *Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8 – Financial Statements and Supplementary Data* (amounts in thousands, except per share amounts).

	Fiscal Years				
	2020	**2019**	**2018**	**2017**	**2016**
	(1)	(1)	(1)		
Net sales	$1,281,124	$1,185,524	$1,532,186	$1,538,940	$1,169,251
Net income	159,498	89,991	161,995	261,209	123,630
Basic earnings per share	$ 2.74	$ 1.50	$ 2.55	$ 4.12	$ 1.96
Diluted earnings per share	$ 2.64	$ 1.46	$ 2.46	$ 3.92	$ 1.87
Financial position at year end:					
Cash, cash equivalents, restricted investments and marketable securities	$ 597,700	$ 445,323	$ 434,500	$ 450,979	$ 250,006
Total assets	1,592,677	1,352,640	1,430,117	1,413,470	1,181,883
Working capital	491,559	509,443	473,465	631,853	378,005
Long-term liabilities	204,261	96,860	128,180	117,703	194,276
Total stockholders' equity	$1,229,779	$1,140,240	$1,161,728	$1,151,692	$ 859,483

(1) Refer to the consolidated financial statements and the Notes thereto contained in Item 8 of this Form 10-K for fiscal years 2020, 2019, and 2018, for an expanded discussion of factors that materially affect the comparability of the information reflected in the selected consolidated financial data presented above.

ITEM 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Please read the following discussion in conjunction with our audited historical consolidated financial statements and notes thereto, which are included elsewhere in this Form 10-K. Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risk, uncertainties and other factors. Actual results could differ materially because of the factors discussed in Part I, Item 1A. "Risk Factors" of this Form 10-K and elsewhere in this report, as well as in the documents filed by us with the SEC, specifically the most recent reports on Forms 10-Q and 8-K, each as it may be amended from time to time.

Critical Accounting Policies

Our discussion and analysis of the Company's financial condition and results of operations are based upon the consolidated financial statements included in this report, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts. We evaluate the estimates on an on-going basis. We base these estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

We believe the following critical accounting policies involve significant judgments and estimates that are used in the preparation of the consolidated financial statements:

- We recognize revenue upon the transfer of promised goods or services to customers, in an amount that reflects the consideration the Company expects to be entitled in exchange for those goods or services. See Note 2 — Summary of Significant Accounting Policies — *Revenue Recognition* of the Notes to

Consolidated Financial Statements contained in Item 8 for discussion on the identification of the Company's performance obligations and determination of transaction price, including treatment of rebates, right of returns, warranties, price protection and stock rotation.

- Inventories are recorded at the lower of cost or net realizable value, with cost being determined on a first-in, first-out basis. We write down inventories to net realizable value based on forecasted demand while taking into account product release schedules and product life cycles, which may drive management judgment. We also review and write down inventory, as appropriate, based on the age and condition of the inventory. Actual demand and market conditions may be different from those projected by management, which could have a material effect on our operating results and financial position. See Note 2 — Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements contained in Item 8.

- We evaluate the recoverability of property, plant, and equipment and intangible assets by testing for impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. An impairment loss is recognized in the event the carrying value of these assets exceeds the fair value of the applicable assets. Impairment evaluations involve management estimates of asset useful lives and future cash flows. Actual useful lives and cash flows could be different from those estimated by management, which could have a material effect on our operating results and financial position. See Note 2 — Summary of Significant Accounting Policies and Note 7 — Intangibles, net and Goodwill of the Notes to Consolidated Financial Statements contained in Item 8. See also Note 11 — Restructuring Costs for discussion of fiscal year 2020 asset disposals related to the MEMS restructuring.

- The Company evaluates goodwill and other intangible assets. Goodwill is recorded at the time of an acquisition and is calculated as the difference between the total consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. The Company tests goodwill and other intangible assets for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. Impairment evaluations involve management's assessment of qualitative factors to determine whether it is more likely than not that goodwill and other intangible assets are impaired. If management concludes from its assessment of qualitative factors that it is more likely than not that impairment exists, then a quantitative impairment test will be performed involving management estimates of asset useful lives and future cash flows. Significant management judgment is required in the forecasts of future operating results that are used in these evaluations. If our actual results, or the plans and estimates used in future impairment analyses, are lower than the original estimates used to assess the recoverability of these assets, we could incur additional impairment charges in a future period. The Company has recorded no goodwill impairments in fiscal years 2020, 2019, and 2018. There were no material intangible asset impairments in fiscal years 2019 and 2018. See Note 11 — Restructuring Costs for discussion of fiscal year 2020 impairments related to the MEMS restructuring.

- We are subject to the possibility of loss contingencies for various legal matters. See Note 15 — Legal Matters of the Notes to Consolidated Financial Statements contained in Item 8. We regularly evaluate current information available to us to determine whether any accruals should be made based on the status of the case, the results of the discovery process and other factors. If we ultimately determine that an accrual should be made for a legal matter, this accrual could have a material effect on our operating results and financial position and the ultimate outcome may be materially different than our estimate.

- We report income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities, which are measured using the enacted tax laws and tax rates that will be in effect when the differences are expected to reverse. We assess the likelihood that the deferred tax assets will be realized. A valuation allowance is established against deferred tax assets to the extent the Company believes that it is more likely than not that the deferred tax assets will not be realized, taking into consideration the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are deductible.

The calculation of our tax liabilities involves assessing uncertainties with respect to the application of complex tax rules. Uncertain tax positions must meet a more likely than not threshold to be recognized in the financial statements and the tax benefits recognized are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon final settlement. See Note 18 — Income Taxes of the Notes to Consolidated Financial Statements contained in Item 8 for additional details.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which the Company adopted in the first quarter of fiscal year 2020. The new standard provides a number of optional practical expedients in transition. We elected the use-of-hindsight practical expedient and the 'package of practical expedients' which permit us not to reassess our prior conclusions about lease identification, lease classification and initial direct costs. The new standard also provides practical expedients for an entity's ongoing accounting. We elected the short-term lease recognition exemption for all leases that qualify. This means, for qualifying leases, which are those with terms of less than twelve months, we will not recognize right-of-use ("ROU") assets or lease liabilities. We also do not separate lease and non-lease components for all classes of assets. Most of our operating lease commitments were subject to the new standard and recognized as ROU assets and operating lease liabilities upon adoption, which materially increased the total assets and total liabilities that we reported relative to such amounts prior to adoption.

In applying the use-of-hindsight practical expedient, we re-assessed whether we were reasonably certain to exercise extension options within our lease agreements. This resulted in the lease term being extended on a number of leases. The previously capitalized initial direct costs and accrued lease payments were recalculated assuming these extended lease terms had always applied, resulting in an adjustment of $0.7 million net of tax, to opening retained earnings on transition.

On adoption, we recognized additional operating liabilities, with corresponding ROU assets based on the present value of the lease payments over the lease term under current leasing contracts for existing operating leases. In addition, existing capitalized initial direct costs and accrued lease payments were reclassified from prepayments and accruals to the ROU asset. There was no income statement or cash flow statement impact on adoption, nor were prior periods adjusted.

The effects of the changes made to our balance sheet at adoption were as follows (in thousands):

	Balance at March 30, 2019	Impact from ASU 2016-02 Adoption	Balance at March 31, 2019
Financial statement line item:			
Prepaid assets	$ 30,794	$ (2,833)	$ 27,961
Right-of-use lease assets	—	149,746	149,746
Lease liabilities	—	(14,899)	(14,899)
Other accrued liabilities	(16,339)	11,071	(5,268)
Non-current lease liabilities	—	(143,085)	(143,085)
Other long-term liabilities	(9,889)	(965)	(10,854)
Accumulated deficit	$(222,430)	$ 965	$(221,465)

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU requires credit losses on available-for-sale debt securities to be presented as an allowance rather than a write-down. Unlike current U.S. GAAP, the credit losses could be reversed with changes in estimates, and recognized in current year earnings. This ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption in the first quarter of fiscal year 2021.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This ASU eliminates step two of the goodwill impairment test. An impairment charge is to be recognized for the amount by which the current value exceeds the fair value. This ASU is effective for annual periods beginning after December 15, 2019, including interim periods. Early adoption is permitted, for interim or annual goodwill impairment tests performed after January 1, 2017, and should be applied prospectively. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. That disclosure should be provided in the first annual period and in the interim period within the first annual period when the entity initially adopts the amendments in this update. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement — Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This ASU allows for the classification of stranded tax effects resulting from the Tax Cuts and Jobs Act (the "Tax Act") from accumulated other comprehensive income to retained earnings. This ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The standard should be applied in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in tax rate is recognized. The Company adopted this ASU in the first quarter of fiscal year 2020 and elected to reclassify the stranded tax effects of $0.3 million from accumulated other comprehensive income to retained earnings in the period of adoption.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation — Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. This ASU expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees and will apply to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year, with early adoption permitted. The Company adopted this ASU in the first quarter of fiscal year 2020, with no material impact to the financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU adjusts current required disclosures related to fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In August 2018, the Commission adopted the final rule under SEC Release No. 33-10532, *Disclosure Update and Simplification*, amending certain disclosure requirements that were redundant, duplicative, overlapping, outdated or superseded. In addition, the amendments expanded the disclosure requirements on the analysis of stockholders' equity for interim financial statements. Under the amendments, an analysis of changes in each caption of stockholders' equity presented in the balance sheet must be provided in a note or separate statement. The analysis should present a reconciliation of the beginning balance to the ending balance of each period for which a statement of comprehensive income is required to be filed. The final rule was published in the Federal Register on October 4, 2018, effective November 5, 2018. The Company adopted the amendments in the first quarter of fiscal year 2020.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. The ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In January 2020, the FASB issued ASU No. 2020-01, *Investments — Equity Securities (Topic 321) — Investments — Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) –*

Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force). This ASU clarifies the interaction of the accounting for equity securities, investments accounted for under the equity method of accounting, and the accounting for certain forward contracts and purchased options. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU, effective immediately for reporting periods through December 31, 2022, provides accounting relief for contract modifications that replace an interest rate impacted by reference rate reform (e.g., LIBOR) with a new alternative reference rate. The guidance is applicable to investment securities, receivables, debt, leases, hedging relationships and other contractual arrangements. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

Overview

Cirrus Logic develops low-power, high-precision mixed-signal processing solutions for a broad range of customers. We track operating results in one reportable segment, but report revenue performance by product line, currently portable and non-portable and other products. In fiscal year 2020, the Company increased our penetration of new and existing customers, primarily driven by demand for our boosted amplifiers and haptic drivers in the smartphone market, gained share in tablets, wearables and truly wireless headsets, broadened our customer base, and executed on new product development activities. The Company also made progress with our longer-term investments in audio, voice and other adjacent mixed-signal processing markets. With an extensive product roadmap, we are dedicated to delivering differentiated products that we believe will enable us to capitalize on the increasing demand for complex analog and mixed-signal processing, which we expect to drive our long-term success.

Fiscal Year 2020

Fiscal year 2020 net sales of $1.28 billion represented an increase over fiscal year 2019 net sales of $1.19 billion. Portable product line sales of $1.15 billion in fiscal year 2020 increased from fiscal year 2019 sales of $1.03 billion, attributable to strong demand for components shipping in smartphones. Non-portable and other product line sales of $134.2 million represented a 12.6 percent decrease from fiscal year 2019 sales of $153.5 million.

Overall, gross margin for fiscal year 2020 was 52.6 percent. The increase in gross margin for fiscal year 2020 was primarily due to favorable product mix and cost reductions on certain products, and, to a lesser extent, the benefit of lower reserves and supply chain efficiencies in the current fiscal year versus the prior year. The Company's number of employees decreased to 1,443 as of March 28, 2020. The Company achieved net income of $159.5 million in fiscal year 2020, which included an income tax provision in the amount of $21.8 million.

Fiscal Year 2019

Fiscal year 2019 net sales of $1.19 billion represented a decrease from fiscal year 2018 net sales of $1.53 billion. Portable product line sales of $1.03 billion in fiscal year 2019 decreased from fiscal year 2018 sales of $1.36 billion, attributable primarily to reduced unit volumes of our portable products shipping in smartphones, which was partially offset by increased amplifier sales at Android customers. Non-portable and other product line sales of $153.5 million represented an 8.8 percent decrease from fiscal year 2018 sales of $168.3 million.

Overall, gross margin for fiscal year 2019 was 50.4 percent. The increase in gross margin for fiscal year 2019 was primarily due to more favorable product mix on certain portable products, and, to a lesser extent, supply chain efficiencies versus the prior year. The Company's number of employees decreased to 1,551 as of March 30, 2019. The Company achieved net income of $90.0 million in fiscal year 2019, which included an income tax provision in the amount of $3.8 million.

Results of Operations

The following table summarizes the results of our operations for each of the past three fiscal years as a percentage of net sales. All percentage amounts were calculated using the underlying data, in thousands:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Net sales	100%	100%	100%
Gross margin	53%	50%	50%
Research and development	27%	32%	24%
Selling, general and administrative	10%	11%	9%
Restructuring	2%	—%	—%
Gain on sale of assets	—%	(1)%	—%
Income from operations	14%	8%	17%
Interest income	—%	1%	—%
Interest expense	—%	—%	—%
U.K. pension settlement	—%	(1)%	—%
Other expense	—%	—%	—%
Income before income taxes	14%	8%	17%
Provision for income taxes	2%	—%	6%
Net income	12%	8%	11%

Net Sales

We report sales in two product categories: portable products and non-portable and other products. Our sales by product line are as follows (in thousands):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Portable Products	$1,146,918	$1,032,049	$1,363,876
Non-Portable and Other Products	134,206	153,475	168,310
	$1,281,124	$1,185,524	$1,532,186

Net sales for fiscal year 2020 increased by 8.1% percent, to $1.28 billion from $1.19 billion in fiscal year 2019. The increase in net sales reflects a $114.9 million increase in portable product sales and a $19.3 million decrease in non-portable and other product sales. The portable product line experienced an increase in net sales attributable to content gains, primarily in smartphones and, to a lesser extent, higher unit volumes. In Android, increased sales of boosted amplifiers and haptic drivers were offset somewhat by a reduction in smart codec revenue. Non-portable and other product line sales of $134.2 million represented a 12.6 percent decrease from fiscal year 2019 sales of $153.5 million, which was primarily attributable to decreases in legacy product sales.

Net sales for fiscal year 2019 decreased by 22.6%, to $1.19 billion from $1.53 billion in fiscal year 2018. The decrease in net sales reflects a $331.8 million decrease in portable product sales and a $14.8 million decrease in non-portable and other product sales. The portable product line experienced a decrease in net sales attributable to a reduction in sales of portable products shipping in smartphones, along with digital headsets and adaptors, which was partially offset by increased amplifier sales at Android customers. Non-portable and other product line sales of $153.5 million represented a 8.8% decrease from fiscal year 2018 sales of $168.3 million, which was primarily attributable to decreases in legacy product sales.

Sales to non-U.S. customers, principally located in Asia, including sales to U.S.-based end customers that manufacture products through contract manufacturers or plants located overseas, were approximately $1.3 billion in fiscal year 2020, $1.2 billion in fiscal year 2019 and $1.5 billion in fiscal year 2018, representing 99 percent of net sales in fiscal year 2020 and 98 percent of net sales in fiscal years 2019 and 2018. Our sales are denominated primarily in U.S. dollars.

Gross Margin

Overall gross margin of 52.6 percent for fiscal year 2020 reflects an increase from fiscal year 2019 gross margin of 50.4 percent. The increase was primarily attributable to favorable product mix and cost reductions on certain products, and, to a lesser extent, the benefit of lower reserves and supply chain efficiencies in the current fiscal year versus the prior year. Changes in excess and obsolete inventory charges, including scrapped inventory, and sales of product written down in prior periods did not have a material impact on margin in fiscal year 2020.

Overall gross margin of 50.4 percent for fiscal year 2019 reflects an increase from fiscal year 2018 gross margin of 49.6 percent. The increase was primarily attributable to favorable product mix on certain portable products, and, to a lesser extent, supply chain efficiencies versus fiscal year 2018. Changes in excess and obsolete inventory charges, including scrapped inventory, and sales of product written down in prior periods did not have a material impact on margin in fiscal year 2019.

Research and Development Expenses

Fiscal year 2020 research and development expenses of $347.6 million reflect a decrease of $27.5 million, or 7 percent, from fiscal year 2019. The overall decrease was attributable to reduced amortization of intangibles and increased R&D incentives, offset by increases in employee-related expenses, primarily variable compensation and stock-based compensation.

Fiscal year 2019 research and development expenses of $375.1 million reflect an increase of $8.7 million, or 2 percent, from fiscal year 2018. The increase was attributable to an increase in average monthly research and development headcount during fiscal year 2019 versus the prior fiscal year and the associated salary and employee-related expenses, higher facilities and infrastructure-related costs, and fiscal year 2018 adjustments to contingent consideration, offset by decreases to product development expenses and amortization of acquisition-related intangibles.

Selling, General and Administrative Expenses

Fiscal year 2020 selling, general and administrative expenses of $131.1 million reflect an increase of $4.6 million, or 4 percent, compared to fiscal year 2019. The primary drivers were employee-related expenses, primarily variable compensation, in fiscal year 2020.

Fiscal year 2019 selling, general and administrative expenses of $126.5 million reflect a decrease of $5.3 million, or 4 percent, compared to fiscal year 2018. The decrease was primarily attributable to decreased salary and employee-related expenses in fiscal year 2019.

Restructuring Costs

During the fourth quarter of fiscal year 2020, the Company approved a restructuring plan (the "MEMS Restructuring"), including discontinuing efforts relating to the MEMS microphone product line. The Company recorded charges of approximately $21.9 million as part of the MEMS Restructuring, which included equipment disposal costs, asset impairment and write-off of intangible assets, and other nonrecurring costs. See Note 11 — Restructuring Costs for additional details.

Gain on Sale of Assets

In the fourth quarter of fiscal year 2019, the Company sold the previously-acquired Edinburgh, Scotland property, for a gain of $4.9 million, presented as "*Gain on sale of assets*" in the Consolidated Statements of Income. See Item 2. Properties for additional information.

Interest Income

Interest income in fiscal years 2020, 2019, and 2018, was $10.5 million, $8.0 million, and $4.8 million, respectively. The increase in interest income in fiscal year 2020 and 2019 was due to higher earnings on higher average cash, cash equivalent, and marketable securities balances throughout the year versus the previous year.

Interest Expense

The Company reported interest expense of $1.1 million, $1.1 million and $1.2 million for fiscal years 2020, 2019, and 2018, respectively, primarily as a result of the revolving credit facility, described in Note 8.

U.K. Pension Settlement

The Company settled its defined benefit pension scheme in the third quarter of fiscal year 2019. A settlement loss of $13.8 million was recognized, which was the amount of the previously recorded unamortized actuarial pension loss in AOCI. The loss is presented as a separate line item in the Consolidated Statements of Income under the caption "*U.K. pension settlement*". The Company has no further contribution obligations going forward.

Other Expense

In fiscal years 2020, 2019, and 2018 the Company reported $1.6 million, $0.2 million, and $1.0 million respectively, in other expense, primarily related to remeasurement on foreign currency denominated monetary assets and liabilities.

Provision for Income Taxes

We recorded income tax expense of $21.8 million in fiscal year 2020 on a pre-tax income of $181.3 million, yielding an effective tax rate of 12.0 percent. Our effective tax rate was lower than the U.S. statutory rate of 21.0 percent, primarily due to the effect of income earned in certain foreign jurisdictions that is taxed below the federal statutory rate, excess benefits from stock-based compensation, and the release of prior year unrecognized tax benefits during fiscal year 2020.

We recorded income tax expense of $3.8 million in fiscal year 2019 on a pre-tax income of $93.7 million, yielding an effective tax rate of 4.0 percent. Our effective tax rate was lower than the U.S. statutory rate of 21.0 percent, primarily due to a decrease in the provisional enactment-date effects of the legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"), as well as the U.S. federal research and development tax credit and the effect of income earned in certain foreign jurisdictions that is taxed below the federal statutory rate. This overall decrease was partially offset by an increase in valuation allowance related to certain U.S. federal deferred tax assets and state tax attributes due to the likelihood that they will expire or go unutilized.

We recorded income tax expense of $103.1 million in fiscal year 2018 on pre-tax income of $265.1 million, yielding an effective tax provision rate of 38.9 percent. Our effective tax rate was higher than the blended U.S. statutory rate of 31.6 percent, primarily due to the inclusion of the provisional enactment-date tax effects of the Tax Act, partially offset by income earned in certain foreign jurisdictions that is taxed below the federal statutory rate and excess benefits from stock-based compensation. The reduction in the U.S. federal corporate income tax rate was administratively effective at the beginning of our fiscal year 2018, resulting in a blended U.S. federal corporate income tax rate of 31.6% for the annual period.

The Tax Act was enacted on December 22, 2017. The Tax Act reduced the U.S. federal corporate income tax rate from 35% to 21%, restricted the deductibility of certain business expenses, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax-deferred, and created new taxes on certain foreign sourced earnings, among other provisions. We recognized a provisional amount of $60.1 million during fiscal year 2018, which was included as a component of income tax expense from continuing operations. Our accounting for the enactment-date effects of the Tax Act was completed during the quarter ended December 29, 2018 and we recognized an $11.1 million reduction to the provisional amounts, which was included as a component of income tax expense from continuing operations during fiscal year 2019.

For additional discussion about our income taxes, see Note 18 — Income Taxes.

Outlook

Given the wide array of uncertainties surrounding the implications of COVID-19 and the macroeconomic environment and their unknown impact on smartphone volumes, it is difficult to predict our revenue, gross margin and operating expense outlook for fiscal year 2021. Cirrus Logic made meaningful progress in fiscal year 2020 with numerous strategic initiatives that we believe position the Company for growth in the coming years.

Liquidity and Capital Resources

In fiscal year 2020, cash flow from operations was $295.8 million. Operating cash flow during fiscal year 2020 was related to the cash components of our net income, offset by a $2.8 million unfavorable change in working capital. The unfavorable change in working capital was driven primarily by an increase in accounts receivable, partially offset by an increase in payables. In fiscal year 2019, cash flow from operations was $206.7 million. Operating cash flow during fiscal year 2019 was related to the cash components of our net income, offset by a $23.4 million unfavorable change in working capital. The unfavorable change in working capital was driven primarily by a decrease in payables and an increase in accounts receivable, partially offset by a decrease in inventories. In fiscal year 2018, cash flow from operations was $318.7 million. Operating cash flow during fiscal year 2018 was related to the cash components of our net income, and a $29.1 million favorable change in working capital. The favorable change in working capital was driven primarily by a decrease in accounts receivable and an increase in income taxes payable, partially offset by an increase in inventories during the period.

In fiscal year 2020, the Company used $100.2 million in cash for investing activities primarily related to $78.6 million in net purchases of marketable securities, and capital expenditures and technology investments of $21.6 million. In fiscal year 2019, the Company used approximately $54.7 million in cash for investing activities principally related to $28.0 million in net purchases of marketable securities, and capital expenditures and technology investments of $35.8 million. In fiscal year 2018, the Company used approximately $184.7 million in cash for investing activities primarily related to $100.2 million in net purchases of marketable securities, and capital expenditures and technology investments of $59.3 million. In addition, the Company purchased certain tangible and intangible assets for $25.2 million as part of a technology acquisition.

In fiscal year 2020, the Company used $119.6 million related to financing activities. In fiscal year 2019, the Company used $171.5 million in financing activities. In fiscal year 2018, the Company used $249.6 million in financing activities. Payments against revolver balances in fiscal year 2018 were $60.0 million. See Note 8 and *Revolving Credit Facility* below for more information relating to debt agreements and terms that existed during the periods. Additionally, in fiscal years 2020, 2019, and 2018, the Company utilized approximately $120.0 million, $160.0 million, and $175.8 million, respectively, in cash to repurchase and retire portions of its outstanding common stock. See Note 16 for a description of our share repurchase programs.

Our future capital requirements will depend on many factors, including the rate of sales growth, market acceptance of our products, the timing and extent of research and development projects, potential acquisitions of companies or technologies and the expansion of our sales and marketing activities. We believe our expected future cash earnings, existing cash, cash equivalents, investment balances, and available borrowings under our Credit Facility will be sufficient to meet our capital requirements both domestically and internationally, through at least the next 12 months, although we could be required, or could elect, to seek additional funding prior to that time.

Revolving Credit Facility

On July 12, 2016, Cirrus Logic entered into an amended and restated credit agreement (the "Credit Agreement") with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto, for the purpose of refinancing an existing credit facility and providing ongoing working capital. The Credit Agreement provides for a $300 million senior secured revolving credit facility (the "Credit Facility"). The Credit Facility matures on July 12, 2021. Cirrus Logic must repay the outstanding principal amount of all borrowings, together with all accrued but unpaid interest thereon, on the maturity date. The Credit Facility is required to be guaranteed by all of Cirrus Logic's material domestic subsidiaries (the "Subsidiary Guarantors").

The Credit Facility is secured by substantially all of the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets.

Borrowings under the Credit Facility may, at our election, bear interest at either (a) a base rate plus the applicable margin ("Base Rate Loans") or (b) a LIBOR rate plus the applicable margin ("LIBOR Rate Loans"). The applicable margin ranges from 0% to 0.50% per annum for Base Rate Loans and 1.25% to 2.00% per annum for LIBOR Rate Loans based on the Leverage Ratio (as defined below). A commitment fee accrues at a rate per annum ranging from 0.20% to 0.30% (based on the Leverage Ratio) on the average daily unused portion of the commitment of the lenders. The Credit Agreement contains certain financial covenants providing that (a) the ratio of consolidated funded indebtedness to consolidated EBITDA for the prior four fiscal quarters must not be greater than 3.00 to 1.00 (the "Leverage Ratio") and (b) the ratio of consolidated EBITDA for the prior four consecutive fiscal quarters to consolidated fixed charges (including amounts paid in cash for consolidated interest expenses, capital expenditures, scheduled principal payments of indebtedness, and income taxes) for the prior four consecutive fiscal quarters must not be less than 1.25 to 1.00 as of the end of each fiscal quarter. The Credit Agreement also contains negative covenants limiting the Company's or any Subsidiary's ability to, among other things, incur debt, grant liens, make investments, effect certain fundamental changes, make certain asset dispositions, and make certain restricted payments.

As of March 28, 2020, the Company had no amounts outstanding under the Credit Facility and was in compliance with all covenants under the Credit Agreement.

See also Note 8 — Revolving Credit Facility.

Off Balance Sheet Arrangements

As of March 28, 2020, the Company did not have any off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K, that were reasonably likely to have a material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

In our business activities, we incur certain commitments to make future payments under contracts such as debt agreements, purchase orders, operating leases and other long-term contracts. Maturities under these contracts are set forth in the following table as of March 28, 2020:

	Payment due by period (in thousands)				
	< 1 year	1-3 years	3-5 years	> 5 years	Total
Facilities leases, net	$ 12,501	$24,742	$24,823	$147,593	$209,659
Wafer purchase commitments	131,911	—	—	—	131,911
Assembly purchase commitments	4,003	—	—	—	4,003
Outside test purchase commitments	14,983	—	—	—	14,983
Other purchase commitments	17,808	3,806	—	—	21,614
Interest on revolving line of credit (1)	610	325	—	—	935
Total	$181,816	$28,873	$24,823	$147,593	$383,105

(1) Our debt is subject to a variable interest rate based on LIBOR. The interest included in the table above is based on forecasted commitment fees.

Certain of our operating lease obligations include escalation clauses. These escalating payment requirements are reflected in the table.

We are unable to make a reasonably reliable estimate as to when or if a cash settlement with taxing authorities will occur related to our unrecognized tax benefits. Therefore, our liability of $36.2 million for unrecognized tax benefits is not included in the table above. See Note 18 — Income Taxes, to the Consolidated Financial Statements for additional information.

ITEM 7A. *Quantitative and Qualitative Disclosures about Market Risk*

We are exposed to market risks associated with interest rates on drawn balances of our Revolving Credit Facility and marketable securities, and to currency movements on non-U.S. dollar denominated assets and liabilities. We assess these risks on a regular basis and have established policies that are designed to protect against the adverse effects of these and other potential exposures. All of the potential changes noted below are based on sensitivity analyses as of March 28, 2020. Actual results may differ materially.

Interest Rate Risk

Our primary financial instruments include cash equivalents, marketable securities, accounts receivable, accounts payable, and accrued liabilities. The Company's investments are managed by outside professional managers within investment guidelines set by the Company. These guidelines include security type, credit quality, and maturity, and are intended to limit market risk by restricting the Company's investments to high quality debt instruments with relatively short-term maturities. The Company does not currently use derivative financial instruments in its investment portfolio. Due to the short-term nature of our investment portfolio and the current low interest rate environment, our downside exposure to interest rate risk is minimal.

To provide a meaningful assessment of the interest rate risk associated with our investment portfolio, the Company performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the investment portfolio assuming a 100 basis point parallel shift in the yield curve. Based on investment positions as of March 28, 2020 and March 30, 2019, a hypothetical 100 basis point increase in interest rates across all maturities would result in a $5.3 million and $3.3 million decline in the fair market value of the portfolio, respectively. Such losses would only be realized if the Company sold the investments prior to maturity.

Foreign Currency Exchange Risk

Our revenue and spending is transacted primarily in U.S. dollars; however, in fiscal years 2020, 2019, and 2018, we entered into routine transactions in other currencies to fund the operating needs of certain legal entities outside of the U.S. Our balance sheet also reflects monetary assets and liabilities in certain entities which are remeasured to each entity's functional currency. Beginning in the first quarter of fiscal year 2020, we began using forward contracts to manage exposure to foreign currency exchange risk attributable to certain non-U.S. dollar balance sheet exposures. Gains and losses from these foreign currency forward contracts are recognized currently in earnings along with the gains and losses resulting from remeasuring the underlying exposures. Because most of the aggregate balance sheet exposure is hedged by forward currency exchange contracts, at the end of any fiscal period a hypothetical 10% plus or minus fluctuation in exchange rates relative to the U.S. dollar would result in an immaterial pretax currency exchange gain or loss. See Note 5 — Derivative Financial Instruments for additional information related to our hedging activities.

ITEM 8. ***Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm 38

Consolidated Balance Sheets as of March 28, 2020 and March 30, 2019 41

Consolidated Statements of Income for the Fiscal Years Ended March 28, 2020, March 30, 2019, and March 31, 2018 42

Consolidated Statements of Comprehensive Income for the Fiscal Years Ended March 28, 2020, March 30, 2019, and March 31, 2018 43

Consolidated Statements of Cash Flows for the Fiscal Years Ended March 28, 2020, March 30, 2019, and March 31, 2018 44

Consolidated Statements of Stockholders' Equity for the Fiscal Years Ended March 28, 2020, March 30, 2019, and March 31, 2018 45

Notes to Consolidated Financial Statements 46

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Cirrus Logic, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cirrus Logic, Inc. (the Company) as of March 28, 2020 and March 30, 2019, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three fiscal years in the period ended March 28, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 28, 2020 and March 30, 2019, and the results of its operations and its cash flows for each of the three fiscal years in the period ended March 28, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 28, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 20, 2020 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for accounting for leases in fiscal year 2020 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Inventory valuation

Description of the Matter	At March 28, 2020, the Company's net inventory balance was $146.7 million. As discussed in Note 2 of the financial statements, inventories are stated at the lower of cost or net realizable value, which includes considerations for inventory becoming obsolete or in excess of management's forecasted customer unit demand. The Company writes down inventories to net realizable value based on forecasted customer unit demand while taking into account product release schedules and product life cycles. The Company also writes down inventory, as appropriate, based on the age and condition of the inventory. Auditing management's estimate of excess and obsolete inventory involved subjective auditor judgment because management's determination of whether a write down is warranted is judgmental and the estimate is sensitive to changes in assumptions, including management's assumptions over forecasted demand which may be impacted by, among other things, future market and economic conditions outside of the Company's control.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the valuation of inventory. For example, we tested controls over management's review of forecasted demand, the significant assumptions, and the data underlying the excess and obsolete inventory valuation estimate. Among other audit procedures performed, we evaluated the significant assumptions discussed above, including the forecasted customer unit demand utilized in the estimate, and tested the completeness and accuracy of the underlying data used in management's calculation. We evaluated adjustments to forecasted demand for specific product considerations, assessed the historical accuracy of management's estimates by performing a retrospective analysis comparing prior period forecasted demand to actual historical sales and inspected historical gross margins to assess whether any items were being sold at a loss.

Uncertain tax positions

Description of the Matter	As described in Note 18 to the consolidated financial statements, the Company has recorded accrued liabilities relating to unrecognized tax benefits resulting from uncertain tax positions of $36.2 million as of March 28, 2020. The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in multiple state and foreign jurisdictions. Furthermore, the Company's fiscal years 2017 to 2020 remain open to examination by the major taxing jurisdictions. Auditing management's analysis of the uncertainties in its tax positions was complex and judgmental because the Company's evaluation and measurement of each tax position involves assessing uncertainties with respect to the application of complex tax rules, which are subject to interpretation. The Company uses significant judgment in determining whether a tax position is more likely than not to be sustained and measuring the amount of tax benefit that qualifies for recognition.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the existence of uncertain tax positions and measurement of the benefit of those positions. For example, we tested controls over management's review of the technical merits of tax positions, the events and information that impacted tax positions, the estimate of the most likely outcome, and the data utilized in the estimate. To test the valuation of uncertain tax positions, our audit procedures included, among others, analyzing the Company's assumptions and data used to determine the amount of tax benefit to recognize and testing the accuracy of the calculations. In considering the measurement criteria, we involved our tax professionals to assess the technical merits of the Company's tax positions. This included assessing the Company's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Company. We also used our knowledge of, and experience with, the application of international and local income tax laws by the relevant income tax authorities to evaluate the Company's accounting for those tax positions. We also evaluated the Company's income tax disclosures included in Note 18 to the consolidated financial statements in relation to these matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1984.

Austin, Texas
May 20, 2020

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Cirrus Logic, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Cirrus Logic, Inc.'s internal control over financial reporting as of March 28, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Cirrus Logic, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 28, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 28, 2020 and March 30, 2019, and related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three fiscal years in the period ended March 28, 2020, and the related notes and our report dated May 20, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Austin, Texas
May 20, 2020

CIRRUS LOGIC, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 28, 2020	March 30, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 292,119	$ 216,172
Marketable securities	22,008	70,183
Accounts receivable, net	153,998	120,656
Inventories	146,725	164,733
Prepaid assets	23,594	30,794
Other current assets	11,752	22,445
Total current assets	650,196	624,983
Long-term marketable securities	283,573	158,968
Right-of-use lease assets	141,274	—
Property and equipment, net	158,244	186,185
Intangibles, net	34,430	67,847
Goodwill	287,088	286,241
Deferred tax assets	10,052	8,727
Other assets	27,820	19,689
Total assets	$1,592,677	$1,352,640
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 78,412	$ 48,398
Accrued salaries and benefits	42,439	29,289
Software license agreements	10,888	21,514
Current lease liabilities	13,580	—
Other accrued liabilities	13,318	16,339
Total current liabilities	158,637	115,540
Long-term liabilities:		
Software license agreements	3,806	8,662
Non-current income taxes	71,143	78,309
Non-current lease liabilities	129,312	—
Other long-term liabilities	—	9,889
Total long-term liabilities	204,261	96,860
Stockholders' equity:		
Preferred stock, 5.0 million shares authorized but unissued	—	—
Common stock, $0.001 par value, 280,000 shares authorized, 58,242 shares and 58,954 shares issued and outstanding at March 28, 2020 and March 30, 2019, respectively	58	59
Additional paid-in capital	1,434,871	1,363,677
Accumulated deficit	(201,681)	(222,430)
Accumulated other comprehensive loss	(3,469)	(1,066)
Total stockholders' equity	1,229,779	1,140,240
Total liabilities and stockholders' equity	$1,592,677	$1,352,640

The accompanying notes are an integral part of these financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Net sales	$1,281,124	$1,185,524	$1,532,186
Cost of sales	606,957	588,027	771,470
Gross profit	674,167	597,497	760,716
Operating expenses			
Research and development	347,647	375,139	366,444
Selling, general and administrative	131,115	126,502	131,811
Restructuring costs	21,925	—	—
Gain on sale of assets	—	(4,913)	—
Total operating expenses	500,687	496,728	498,255
Income from operations	173,480	100,769	262,461
Interest income	10,458	8,017	4,762
Interest expense	(1,057)	(1,057)	(1,153)
U.K. pension settlement	—	(13,768)	—
Other expense	(1,615)	(217)	(971)
Income before income taxes	181,266	93,744	265,099
Provision for income taxes	21,768	3,753	103,104
Net income	159,498	89,991	161,995
Basic earnings per share	$ 2.74	$ 1.50	$ 2.55
Diluted earnings per share	$ 2.64	$ 1.46	$ 2.46
Basic weighted average common shares outstanding	58,317	60,116	63,407
Diluted weighted average common shares outstanding	60,462	61,583	65,951

The accompanying notes are an integral part of these financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Net income	$159,498	$ 89,991	$161,995
Other comprehensive income (loss), before tax			
Foreign currency translation gain (loss)	68	(3,125)	2,791
Unrealized gain (loss) on marketable securities	(2,803)	2,823	(2,380)
U.K. pension settlement	—	13,814	—
Actuarial loss on defined benefit pension plan	—	—	(14,729)
Cumulative effect of adoption of ASU 2018-02	(257)	—	—
Benefit (provision) for income taxes	589	(3,217)	3,530
Comprehensive income	$157,095	$100,286	$151,207

The accompanying notes are an integral part of these financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Cash flows from operating activities:			
Net income	$ 159,498	$ 89,991	$ 161,995
Adjustments to net cash provided by operating activities:			
Depreciation and amortization	68,237	79,826	81,399
Stock-based compensation expense	53,757	49,689	48,741
Deferred income taxes	(5,888)	1,717	11,646
(Gain) loss on retirement or write-off of long-lived assets	379	(2,713)	626
Charges (payments) for defined benefit pension plan	—	11,189	(10,929)
Other non-cash charges	697	429	(3,864)
MEMS restructuring charges	21,925	—	—
Net change in operating assets and liabilities:			
Accounts receivable, net	(33,082)	(14,316)	19,173
Inventories	17,765	40,636	(37,865)
Other assets	1,379	965	16,824
Accounts payable	27,626	(21,965)	143
Accrued salaries and benefits	11,470	(6,432)	(4,469)
Income taxes payable	(9,809)	(7,974)	22,983
Other accrued liabilities	(18,139)	(14,348)	12,308
Net cash provided by operating activities	295,815	206,694	318,711
Cash flows from investing activities:			
Maturities and sales of available-for-sale marketable securities	170,818	70,840	138,221
Purchases of available-for-sale marketable securities	(249,463)	(98,864)	(238,434)
Purchases of property, equipment and software	(15,656)	(31,615)	(55,180)
Investments in technology	(5,920)	(4,143)	(29,323)
Proceeds from the sale of assets	—	9,120	—
Net cash used in investing activities	(100,221)	(54,662)	(184,716)
Cash flows from financing activities:			
Principal payments on long-term revolver	—	—	(60,000)
Issuance of common stock, net of shares withheld for taxes	18,635	1,616	4,417
Repurchase of stock to satisfy employee tax withholding obligations	(18,280)	(13,083)	(17,806)
Repurchase and retirement of common stock	(120,002)	(159,997)	(175,776)
Contingent consideration payments	—	—	(392)
Net cash used in financing activities	(119,647)	(171,464)	(249,557)
Net increase (decrease) in cash and cash equivalents	75,947	(19,432)	(115,562)
Cash and cash equivalents at beginning of period	216,172	235,604	351,166
Cash and cash equivalents at end of period	$ 292,119	$ 216,172	$ 235,604
Supplemental disclosures of cash flow information			
Cash payments during the year for:			
Income taxes	$ 22,321	$ 20,617	$ 34,385
Interest	457	612	835

The accompanying notes are an integral part of these financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income / (Loss)	Total
	Shares	Amount				
Balance, March 25, 2017	64,295	$64	$1,259,215	$(107,014)	$ (573)	$1,151,692
Net income	—	—	—	161,995	—	161,995
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	(1,630)	(1,630)
Change in defined benefit pension plan liability, net of tax	—	—	—	—	(11,949)	(11,949)
Change in foreign currency translation adjustments	—	—	—	—	2,791	2,791
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	1,054	1	4,416	(17,806)	—	(13,389)
Cumulative effect of adoption of ASU 2016-16	—	—		(747)	—	(747)
Repurchase and retirement of common stock	(3,389)	(3)	—	(175,773)	—	(175,776)
Amortization of deferred stock compensation	—	—	48,741	—	—	48,741
Balance, March 31, 2018	61,960	$62	$1,312,372	$(139,345)	$(11,361)	$1,161,728
Net income	—	—	—	89,991	—	89,991
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	2,231	2,231
Change in defined benefit pension plan liability, net of tax	—	—	—	—	11,189	11,189
Change in foreign currency translation adjustments	—	—	—	—	(3,125)	(3,125)
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	964	1	1,616	(13,083)	—	(11,466)
Repurchase and retirement of common stock	(3,970)	(4)	—	(159,993)	—	(159,997)
Amortization of deferred stock compensation	—	—	49,689	—	—	49,689
Balance, March 30, 2019	58,954	$59	$1,363,677	$(222,430)	$ (1,066)	$1,140,240
Net income	—	—	—	159,498	—	159,498
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	(2,214)	(2,214)
Change in foreign currency translation adjustments	—	—	—	—	68	68
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	1,418	1	18,634	(18,280)	—	355
Cumulative effect of adoption of ASU 2016-02, net of tax	—	—	—	(726)	—	(726)
Cumulative effect of adoption of ASU 2018-02	—	—	—	257	(257)	—
Repurchase and retirement of common stock	(2,130)	(2)	—	(120,000)	—	(120,002)
Amortization of deferred stock compensation	—	—	52,560	—	—	52,560
Balance, March 28, 2020	58,242	$58	$1,434,871	$(201,681)	$ (3,469)	$1,229,779

The accompanying notes are an integral part of these financial statements.

CIRRUS LOGIC, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Description of Business

Cirrus Logic, Inc. ("Cirrus Logic," "We," "Us," "Our," or the "Company") is a leader in low-power, high-precision mixed-signal processing solutions that create innovative user experiences for the world's top mobile and consumer applications.

We were incorporated in California in 1984, became a public company in 1989, and were reincorporated in the State of Delaware in February 1999. Our primary facility housing engineering, sales and marketing, and administration functions is located in Austin, Texas. We also have offices in various other locations in the United States, United Kingdom, Spain, and Asia, including the People's Republic of China, Hong Kong, South Korea, Japan, Singapore, and Taiwan. Our common stock, which has been publicly traded since 1989, is listed on the NASDAQ's Global Select Market under the symbol CRUS.

Basis of Presentation

We prepare financial statements on a 52- or 53-week year that ends on the last Saturday in March. Fiscal years 2020 and 2019 were 52-week years. Fiscal year 2018 was a 53-week year.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U. S. generally accepted accounting principles (U.S. GAAP) and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Reclassifications

Certain reclassifications have been made to prior year balances in order to conform to the current year's presentation of financial information.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires the use of management estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at fiscal year-end and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of money market funds, commercial paper, and U.S. Government Treasury and Agency instruments with original maturities of three months or less at the date of purchase.

Inventories

We use the lower of cost or net realizable value to value our inventories, with cost being determined on a first-in, first-out basis. One of the factors we consistently evaluate in the application of this method is the extent to which products are accepted into the marketplace. By policy, we evaluate market acceptance based on known business factors and conditions by comparing forecasted customer unit demand for our products over a specific future period, or demand horizon, to quantities on hand at the end of each accounting period.

On a quarterly and annual basis, we analyze inventories on a part-by-part basis. Product life cycles and the competitive nature of the industry are factors considered in the evaluation of customer unit demand at the end of

each quarterly accounting period. Inventory on-hand in excess of forecasted demand is considered to have reduced market value and, therefore, the cost basis is adjusted to the lower of cost or net realizable value. Typically, market values for excess or obsolete inventories are considered to be zero. Inventory charges recorded for excess and obsolete inventory, including scrapped inventory, were $2.8 million and $6.2 million, in fiscal year 2020 and 2019, respectively. Inventory charges in fiscal year 2020 and 2019 related to a combination of quality issues and inventory exceeding demand.

Inventories were comprised of the following (in thousands):

	March 28, 2020	March 30, 2019
Work in process	$ 82,494	$ 80,100
Finished goods	64,231	84,633
	$146,725	$164,733

Property, Plant and Equipment, net

Property, plant and equipment is recorded at cost, net of depreciation and amortization. Depreciation and amortization is calculated on a straight-line basis over estimated economic lives, ranging from 3 to 39 years. Leasehold improvements are depreciated over the shorter of the term of the lease or the estimated useful life. Furniture, fixtures, machinery, and equipment are all depreciated over a useful life of 3 to 10 years, while buildings are depreciated over a period of up to 39 years. In general, our capitalized software is amortized over a useful life of 3 years, with capitalized enterprise resource planning software being amortized over a useful life of 10 years. Gains or losses related to retirements or dispositions of fixed assets are recognized in the period incurred. Additionally, if impairment indicators exist, the Company will assess the carrying value of the associated asset. In the fourth quarter of fiscal year 2019, the Company sold the Edinburgh, Scotland property for a $4.9 million gain presented separately in the Consolidated Statements of Income as "*Gain on sale of assets*". During the fourth quarter of fiscal year 2020, the Company recorded $9.6 million of equipment disposal charges, net of recovery, related to the MEMS restructuring. See Note 11 — Restructuring Costs for further detail.

Property, plant and equipment was comprised of the following (in thousands):

	March 28, 2020	March 30, 2019
Land	$ 23,853	$ 23,853
Buildings	63,803	63,172
Furniture and fixtures	23,059	22,762
Leasehold improvements	51,525	45,286
Machinery and equipment	159,201	157,994
Capitalized software	25,942	25,763
Construction in progress and other	892	3,689
Total property, plant and equipment	348,275	342,519
Less: Accumulated depreciation and amortization	(190,031)	(156,334)
Property, plant and equipment, net	$ 158,244	$ 186,185

Depreciation and amortization expense on property, plant, and equipment for fiscal years 2020, 2019, and 2018 was $31.9 million, $32.0 million, and $27.7 million, respectively.

Goodwill and Intangibles, net

Intangible assets include purchased technology licenses and patents that are reported at cost and are amortized on a straight-line basis over their useful lives, generally ranging from 1 to 10 years. Acquired

intangibles include existing technology, core technology or patents, license agreements, in-process research & development, trademarks, tradenames, customer relationships, non-compete agreements, and backlog. These assets are amortized on a straight-line basis over lives ranging from 1 to 15 years.

Goodwill is recorded at the time of an acquisition and is calculated as the difference between the aggregate consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. The Company tests goodwill and indefinite lived intangibles for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. Impairment evaluations involve management's assessment of qualitative factors to determine whether it is more likely than not that goodwill and other intangible assets are impaired. If management concludes from its assessment of qualitative factors that it is more likely than not that impairment exists, then a quantitative impairment test will be performed involving management estimates of asset useful lives and future cash flows. Significant management judgment is required in the forecasts of future operating results that are used in these evaluations. If our actual results, or the plans and estimates used in future impairment analyses, are lower than the original estimates used to assess the recoverability of these assets, we could incur additional impairment charges in a future period. The Company has recorded no goodwill impairments in fiscal years 2020, 2019, and 2018. During the fourth quarter of fiscal year 2020, the Company recorded $10.0 million of intangible asset impairment charges related to the MEMS restructuring. See Note 11 — Restructuring Costs for further detail. There were no material intangible asset impairments in fiscal years 2019 or 2018.

Long-Lived Assets

We test for impairment losses on long-lived assets and definite-lived intangibles used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. We measure any impairment loss by comparing the fair value of the asset to its carrying amount. We estimate fair value based on discounted future cash flows, quoted market prices, or independent appraisals.

Foreign Currency Translation

Some of the Company's subsidiaries utilize the local currency as the functional currency. The Company's main entities, including the entities that generate the majority of sales and employ the majority of employees, are US dollar functional.

Concentration of Credit Risk

Financial instruments that potentially subject us to material concentrations of credit risk consist primarily of cash equivalents, marketable securities, long-term marketable securities, and trade accounts receivable. We are exposed to credit risk to the extent of the amounts recorded on the balance sheet. By policy, our cash equivalents, marketable securities, and long-term marketable securities are subject to certain nationally recognized credit standards, issuer concentrations, sovereign risk, and marketability or liquidity considerations.

In evaluating our trade receivables, we perform credit evaluations of our major customers' financial condition and monitor closely all of our receivables to limit our financial exposure by limiting the length of time and amount of credit extended. In certain situations, we may require payment in advance or utilize letters of credit to reduce credit risk. By policy, we establish a reserve for trade accounts receivable based on the type of business in which a customer is engaged, the length of time a trade account receivable is outstanding, and other knowledge that we may possess relating to the probability that a trade receivable is at risk for non-payment.

We had two contract manufacturers, Hongfujin Precision and Pegatron, who represented 29 percent and 20 percent, respectively of our consolidated gross trade accounts receivable as of the end of fiscal year 2020. Hongfujin Precision, Pegatron, and Foxconn represented 22 percent, 19 percent, and 11 percent, respectively of our consolidated gross trade accounts receivable as of the end of fiscal year 2019. No other distributor or customer had receivable balances that represented more than 10 percent of consolidated gross trade accounts receivable as of the end of fiscal year 2020 and 2019.

Since the components we produce are largely proprietary and generally not available from second sources, we consider our end customer to be the entity specifying the use of our component in their design. These end customers may then purchase our products directly from us, from a distributor, or through a third-party manufacturer contracted to produce their end product. For fiscal years 2020, 2019, and 2018, our ten largest end customers represented approximately 93 percent, 91 percent, and 92 percent, of our sales, respectively. For fiscal years 2020, 2019, and 2018, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 79 percent, 78 percent, and 81 percent, of the Company's total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2020, 2019, or 2018.

Revenue Recognition

We recognize revenue upon the transfer of promised goods or services to customers, in an amount that reflects the consideration the Company expects to be entitled in exchange for those goods or services.

Performance Obligations

The Company's single performance obligation is the delivery of promised goods to the customer. The promised goods are explicitly stated in the customer contract and are comprised of either a single type of good or a series of goods that are substantially the same, have the same pattern of transfer to the customer, and are neither capable of being distinct nor separable from the other promised goods in the contract. This performance obligation is satisfied upon transfer of control of the promised goods to the customer, as defined per the shipping terms within the customer's contract. The vast majority of the Company's contracts with customers have an original expected term of one year or less. As allowed by ASC 606, the Company has not disclosed of the value of any unsatisfied performance obligations related to these contracts.

The Company's products typically include a warranty period of one to three years. These warranties qualify as assurance-type warranties, as goods can be returned for product non-conformance and defect only. As such, these warranties are accounted for under ASC 460, *Guarantees*, and are not considered a separate performance obligation.

Contract balances

Payments are typically due within 30 to 60 days of invoicing and terms do not include a significant financing component or noncash consideration. There have been no material impairment losses on accounts receivable. There are no material contract assets or contract liabilities recorded on the consolidated balance sheets.

Transaction price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods to the customer. Fixed pricing is the consideration that is agreed upon in the customer contract. Variable pricing includes rebates, rights of return, warranties, price protection and stock rotation. Rebates are granted as a customer account credit, based on agreed-upon sales thresholds. Rights of return and warranty costs are estimated using the "most likely amount" method by reviewing historical returns to determine the most likely customer return rate and applying materiality thresholds. Price protection includes price adjustments available to certain distributors based upon established book price and a stated adjustment period. Stock rotation is also available to certain distributors based on a stated maximum of prior billings.

The Company estimates all variable consideration at the most likely amount which it expects to be entitled. The estimate is based on current and historical information available to the Company, including recent sales activity and pricing. Variable consideration is only included in the transaction price to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company defers all variable consideration that does not meet the revenue recognition criteria.

Warranty Expense

We warrant our products and maintain a provision for warranty repair or replacement of shipped products. The accrual represents management's estimate of probable returns. Our estimate is based on an analysis of our overall sales volume and historical claims experience. The estimate is re-evaluated periodically for accuracy.

Shipping Costs

Our shipping and handling costs are included in cost of sales for all periods presented in the Consolidated Statements of Income.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were $0.9 million, $1.0 million, and $1.4 million, in fiscal years 2020, 2019, and 2018, respectively.

Stock-Based Compensation

Stock-based compensation is measured at the grant date based on the grant-date fair value of the awards and is recognized as an expense, on a ratable basis, over the vesting period, which is generally between 0 and 4 years. Determining the amount of stock-based compensation to be recorded requires the Company to develop estimates used in calculating the grant-date fair value of stock options and performance awards (also called market stock units). The Company calculates the grant-date fair value for stock options and market stock units using the Black-Scholes valuation model and the Monte Carlo simulation, respectively. The use of valuation models requires the Company to make estimates of assumptions such as expected volatility, expected term, risk-free interest rate, expected dividend yield, and forfeiture rates. The grant-date fair value of restricted stock units is the market value at grant date multiplied by the number of units.

Income Taxes

We are required to calculate income taxes in each of the jurisdictions in which we operate. This process involves calculating the actual current tax liability as well as assessing temporary differences in the recognition of income or loss for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in our Consolidated Balance Sheet. We record a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluates the ability to realize its deferred tax assets based on all the facts and circumstances, including projections of future taxable income and expiration dates of carryover tax attributes.

The calculation of our tax liabilities involves assessing uncertainties with respect to the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the Internal Revenue Service or other taxing jurisdiction. We recognize liabilities for uncertain tax positions based on the required two-step process. The first step requires us to determine if the weight of available evidence indicates that the tax position has met the threshold for recognition; therefore, we must evaluate whether it is more likely than not that the position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step requires us to measure the tax benefit of the tax position taken, or expected to be taken, in an income tax return as the largest amount that is more than 50 percent likely of being realized upon ultimate settlement. We reevaluate the uncertain tax positions each quarter based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, expirations of statutes of limitation, effectively settled issues under audit, and new audit activity. A change in the recognition step or measurement step would result in the recognition of a tax benefit or an additional charge to the tax provision in the period.

Although we believe the measurement of our liabilities for uncertain tax positions is reasonable, we cannot assure that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. If additional taxes are assessed as a result of an audit or litigation, it could have a material effect on our income tax provision and net income in the period or periods for which that determination is made. We operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These

audits can involve complex issues which may require an extended period of time to resolve and could result in additional assessments of income tax. We believe adequate provisions for income taxes have been made for all periods.

Net Income Per Share

Basic net income per share is based on the weighted effect of common shares issued and outstanding and is calculated by dividing net income by the basic weighted average shares outstanding during the period. Diluted net income per share is calculated by dividing net income by the weighted average number of common shares used in the basic net income per share calculation, plus the equivalent number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. These potentially dilutive items consist primarily of outstanding stock options and restricted stock grants.

The following table details the calculation of basic and diluted earnings per share for fiscal years 2020, 2019, and 2018, (in thousands, except per share amounts):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Numerator:			
Net income	$159,498	$89,991	$161,995
Denominator:			
Weighted average shares outstanding	58,317	60,116	63,407
Effect of dilutive securities	2,145	1,467	2,544
Weighted average diluted shares	60,462	61,583	65,951
Basic earnings per share	$ 2.74	$ 1.50	$ 2.55
Diluted earnings per share	$ 2.64	$ 1.46	$ 2.46

The weighted outstanding shares excluded from our diluted calculation for the years ended March 28, 2020, March 30, 2019, and March 31, 2018 were 543 thousand, 872 thousand, and 326 thousand, respectively, as the exercise price of certain outstanding stock options exceeded the average market price during the period.

Accumulated Other Comprehensive Loss

Our accumulated other comprehensive loss is comprised of foreign currency translation adjustments, unrealized gains and losses on investments classified as available-for-sale and actuarial gains and losses on our defined benefit pension plan assets, prior to plan settlement in fiscal year 2019. See Note 17 — Accumulated Other Comprehensive Loss for additional discussion.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which the Company adopted in the first quarter of fiscal year 2020. The new standard provides a number of optional practical expedients in transition. We elected the use-of-hindsight practical expedient and the 'package of practical expedients' which permit us not to reassess our prior conclusions about lease identification, lease classification and initial direct costs. The new standard also provides practical expedients for an entity's ongoing accounting. We elected the short-term lease recognition exemption for all leases that qualify. This means, for qualifying leases, which are those with terms of less than twelve months, we will not recognize right-of-use ("ROU") assets or lease liabilities. We also do not separate lease and non-lease components for all classes of assets. Most of our operating lease commitments were subject to the new standard and recognized as ROU assets and operating lease liabilities upon adoption, which materially increased the total assets and total liabilities that we reported relative to such amounts prior to adoption.

In applying the use-of-hindsight practical expedient, we re-assessed whether we were reasonably certain to exercise extension options within our lease agreements. This resulted in the lease term being extended on a number of leases. The previously capitalized initial direct costs and accrued lease payments were recalculated assuming these extended lease terms had always applied, resulting in an adjustment of $0.7 million net of tax, to opening retained earnings on transition.

On adoption, we recognized additional operating liabilities, with corresponding ROU assets based on the present value of the lease payments over the lease term under current leasing contracts for existing operating leases. In addition, existing capitalized initial direct costs and accrued lease payments were reclassified from prepayments and accruals to the ROU asset. There was no income statement or cash flow statement impact on adoption, nor were prior periods adjusted.

The effects of the changes made to our balance sheet at adoption were as follows (in thousands):

	Balance at March 30, 2019	Impact from ASU 2016-02 Adoption	Balance at March 31, 2019
Financial statement line item:			
Prepaid assets	$ 30,794	$ (2,833)	$ 27,961
Right-of-use lease assets	—	149,746	149,746
Lease liabilities	—	(14,899)	(14,899)
Other accrued liabilities	(16,339)	11,071	(5,268)
Non-current lease liabilities	—	(143,085)	(143,085)
Other long-term liabilities	(9,889)	(965)	(10,854)
Accumulated deficit	$(222,430)	$ 965	$(221,465)

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU requires credit losses on available-for-sale debt securities to be presented as an allowance rather than a write-down. Unlike current U.S. GAAP, the credit losses could be reversed with changes in estimates, and recognized in current year earnings. This ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption in the first quarter of fiscal year 2021.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This ASU eliminates step two of the goodwill impairment test. An impairment charge is to be recognized for the amount by which the current value exceeds the fair value. This ASU is effective for annual periods beginning after December 15, 2019, including interim periods. Early adoption is permitted, for interim or annual goodwill impairment tests performed after January 1, 2017, and should be applied prospectively. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. That disclosure should be provided in the first annual period and in the interim period within the first annual period when the entity initially adopts the amendments in this update. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement — Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This ASU allows for the classification of stranded tax effects resulting from the Tax Cuts and Jobs Act (the "Tax Act") from accumulated other comprehensive income to retained earnings. This ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The standard should be applied in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in tax rate is recognized. The Company adopted this ASU in the first quarter of fiscal year 2020 and elected to reclassify the stranded tax effects of $0.3 million from accumulated other comprehensive income to retained earnings in the period of adoption.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation — Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. This ASU expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees and will apply to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year, with early adoption permitted. The Company adopted this ASU in the first quarter of fiscal year 2020, with no material impact to the financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU adjusts current required disclosures related to fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In August 2018, the Commission adopted the final rule under SEC Release No. 33-10532, *Disclosure Update and Simplification*, amending certain disclosure requirements that were redundant, duplicative, overlapping, outdated or superseded. In addition, the amendments expanded the disclosure requirements on the analysis of stockholders' equity for interim financial statements. Under the amendments, an analysis of changes in each caption of stockholders' equity presented in the balance sheet must be provided in a note or separate statement. The analysis should present a reconciliation of the beginning balance to the ending balance of each period for which a statement of comprehensive income is required to be filed. The final rule was published in the Federal Register on October 4, 2018, effective November 5, 2018. The Company adopted the amendments in the first quarter of fiscal year 2020.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In January 2020, the FASB issued ASU No. 2020-01, *Investments — Equity Securities (Topic 321) — Investments — Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force).* This ASU clarifies the interaction of the accounting for equity securities, investments accounted for under the equity method of accounting, and the accounting for certain forward contracts and purchased options. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within that fiscal year, with early adoption permitted. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU, effective immediately for reporting periods through December 31, 2022, provides accounting relief for contract modifications that replace an interest rate impacted by reference rate reform (e.g., LIBOR) with a new alternative reference rate. The guidance is applicable to investment securities, receivables, debt, leases, hedging relationships and other contractual arrangements. The Company is currently evaluating the impact of this ASU, but does not expect a material impact to the financial statements upon adoption.

3. Marketable Securities

The Company's investments have been classified as available-for-sale securities in accordance with U.S. GAAP. Marketable securities are categorized on the Consolidated Balance Sheet as "*Marketable securities*" within the short-term or long-term classification, as appropriate.

The following table is a summary of available-for-sale securities (in thousands):

As of March 28, 2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$286,668	$1,157	$(3,993)	$283,832
Non-US government securities	12,483	260	—	12,743
US Treasury securities	8,839	167	—	9,006
Total securities	$307,990	$1,584	$(3,993)	$305,581

The Company typically invests in highly-rated securities with original maturities generally ranging from one to three years. The Company's specifically identified certain securities with a total gross unrealized loss of $4.0 million at March 28, 2020. The total amortized cost of these securities was approximately $172.9 million. There were no securities that have been in a continuous unrealized loss position for more than 12 months as of March 28, 2020. The Company may sell certain of its marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipated or actual changes in credit rating and duration management. When evaluating an investment for other-than-temporary impairment, the Company reviews factors including the length of time and extent to which fair value has been below cost basis, the financial condition of the issuer, changes in market interest rates and whether it is more likely than not the Company will be required to sell the investment before recovery of the investment's cost basis. As of March 28, 2020, the Company does not consider any of its investments to be other-than-temporarily impaired.

As of March 30, 2019	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$215,098	$1,027	$(600)	$215,525
Non-US government securities	13,209	8	(40)	13,177
Agency discount notes	450	—	(1)	449
Total securities	$228,757	$1,035	$(641)	$229,151

The Company's specifically identified certain securities with a total gross unrealized losses of $0.6 million at March 30, 2019. The total amortized cost of these securities was approximately $123.1 million. Securities in a continuous unrealized loss position for more than 12 months as of March 30, 2019 had an aggregate amortized cost of $120.3 million and an aggregate unrealized loss of $0.6 million. As of March 30, 2019, the Company did not consider any of its investments to be other-than-temporarily impaired.

The cost and estimated fair value of available-for-sale investments by contractual maturity were as follows:

	March 28, 2020		March 30, 2019	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within 1 year	$ 22,012	$ 22,008	$ 70,490	$ 70,183
After 1 year	285,978	283,573	158,267	158,968
Total	$307,990	$305,581	$228,757	$229,151

4. Fair Value of Financial Instruments

The Company has determined that the only assets and liabilities in the Company's financial statements that are required to be measured at fair value on a recurring basis are the Company's cash equivalents and marketable securities portfolio. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to

the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's cash equivalents and marketable securities portfolio consist of money market funds, debt securities, non-U.S government securities, U.S Treasury securities, and securities of U.S. government-sponsored enterprises, and are reflected on our Consolidated Balance Sheet under the headings cash and cash equivalents, marketable securities, and long-term marketable securities. The Company determines the fair value of its marketable securities portfolio by obtaining non-binding market prices from its third-party pricing providers on the last day of the quarter, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value.

The Company's long-term revolving facility, described in Note 8, bears interest at a base rate plus applicable margin or LIBOR plus applicable margin. As of March 28, 2020, there are no amounts drawn under the facility and the fair value is zero.

As of March 28, 2020 and March 30, 2019, the Company has no material Level 3 assets or liabilities. There were no transfers between Level 1, Level 2, or Level 3 measurements for the years ending March 28, 2020 and March 30, 2019.

The following summarizes the fair value of our financial instruments at March 28, 2020 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$237,714	$ —	$—	$237,714
Available-for-sale securities				
Corporate debt securities	$ —	$283,832	$—	$283,832
Non-US government securities	—	12,743	—	12,743
US Treasury securities	9,006	—	—	9,006
	$ 9,006	$296,575	$—	$305,581

The following summarizes the fair value of our financial instruments at March 30, 2019 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$174,214	$ —	$—	$174,214
Available-for-sale securities				
Corporate debt securities	$ —	$215,525	$—	$215,525
Non-US government securities	—	13,177	—	13,177
Agency discount notes	—	449	—	449
	$ —	$229,151	$—	$229,151

5. Derivative Financial Instruments

Foreign Currency Forward Contracts

Beginning in the first quarter of fiscal year 2020, the Company began using foreign currency forward contracts to reduce the earnings impact that exchange rate fluctuations have on non-U.S. dollar balance sheet exposures. The Company recognizes both the gains and losses on foreign currency forward contracts and the gains and losses on the remeasurement of non-U.S. dollar denominated assets and liabilities within "Other income (expense)" in the consolidated statements of income. The Company does not apply hedge accounting to these foreign currency derivative instruments.

As of March 28, 2020, the Company held one foreign currency forward contract denominated in British Pound Sterling with a notional value of $29.2 million. The fair value of this contract was not material as of March 28, 2020.

The before-tax effect of derivative instruments not designated as hedging instruments was as follows (in thousands):

	Fiscal Years Ended			
	March 28, 2020	March 30, 2019	March 31, 2018	Location
Gain (loss) recognized in income				
Foreign currency forward contracts	$(4,226)	$—	$—	Other income (expense)

6. Accounts Receivable, net

The following are the components of accounts receivable, net (in thousands):

	March 28, 2020	March 30, 2019
Gross accounts receivable	$153,998	$120,926
Allowance for doubtful accounts	—	(270)
Accounts receivable, net	$153,998	$120,656

The Company regularly evaluates the collectability of accounts receivable based on age, historical customer payment trends and ongoing customer relations. The following table summarizes the changes in the allowance for doubtful accounts (in thousands):

Balance, March 25, 2017	$(434)
Bad debt expense, net of recoveries	231
Balance, March 31, 2018	(203)
Bad debt expense, net of recoveries	(67)
Balance, March 30, 2019	(270)
Bad debt expense, net of recoveries	270
Balance, March 28, 2020	$ —

Recoveries on bad debt were immaterial for the three years presented above.

7. Intangibles, net and Goodwill

The intangibles, net balance included on the Consolidated Balance Sheet was $34.4 million and $67.8 million at March 28, 2020 and March 30, 2019, respectively.

The following information details the gross carrying amount and accumulated amortization of our intangible assets (in thousands):

	March 28, 2020		March 30, 2019	
Intangible Category / Weighted-Average Amortization period (in years)	**Gross Amount**	**Accumulated Amortization**	**Gross Amount**	**Accumulated Amortization**
Core technology (a)	$ 1,390	$ (1,390)	$ 1,390	$ (1,390)
License agreement (a)	440	(440)	440	(440)
Existing technology (6.7)	111,005	(100,145)	117,976	(94,136)
In-process research & development ("IPR&D") (7.5)	70,936	(58,284)	97,972	(69,794)
Trademarks and tradename (10.0)	3,037	(2,589)	3,037	(2,461)
Customer relationships (10.0)	15,381	(8,808)	15,381	(7,270)
Backlog (a)	220	(220)	220	(220)
Non-compete agreements (a)	470	(470)	470	(470)
Technology licenses (3.0)	23,820	(19,923)	28,336	(21,194)
Total	$226,699	$(192,269)	$265,222	$(197,375)

(a) Intangible assets are fully amortized.

Amortization expense for intangibles in fiscal years 2020, 2019, and 2018 was $28.3 million, $47.8 million, and $53.7 million, respectively. The following table details the estimated aggregate amortization expense for all intangibles owned as of March 28, 2020, for each of the five succeeding fiscal years and in the aggregate thereafter (in thousands):

For the year ended March 27, 2021	$14,368
For the year ended March 26, 2022	$11,817
For the year ended March 25, 2023	$ 6,009
For the year ended March 30, 2024	$ 1,695
For the year ended March 29, 2025	$ 541
Thereafter	$ —

The goodwill balance included on the Consolidated Balance Sheet is $287.1 million and $286.2 million at March 28, 2020 and March 30, 2019, respectively.

8. Revolving Credit Facility

On July 12, 2016, Cirrus Logic entered into an amended and restated credit agreement (the "Credit Agreement") with Wells Fargo Bank, National Association, as Administrative Agent, and the Lenders party thereto, for the purpose of refinancing an existing credit facility and providing ongoing working capital. The Credit Agreement provides for a $300 million senior secured revolving credit facility (the "Credit Facility"). The Credit Facility matures on July 12, 2021. The Credit Facility is required to be guaranteed by all of Cirrus Logic's material domestic subsidiaries (the "Subsidiary Guarantors"). The Credit Facility is secured by substantially all of the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets.

Borrowings under the Credit Facility may, at Cirrus Logic's election, bear interest at either (a) a base rate plus the applicable margin ("Base Rate Loans") or (b) a LIBOR Rate plus the applicable margin ("LIBOR Rate Loans"). The applicable margin ranges from 0% to 0.50% per annum for Base Rate Loans and 1.25% to 2.00% per annum for LIBOR Rate Loans based on the Leverage Ratio (as defined below). A commitment fee accrues at a rate per annum ranging from 0.20% to 0.30% (based on the Leverage Ratio) on the average daily unused portion of the commitment of the lenders. The Credit Agreement contains certain financial covenants providing that (a) the ratio of consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters must not be greater than 3.00 to 1.00 (the "Leverage Ratio") and (b) the ratio of consolidated EBITDA for the prior four consecutive fiscal quarters to consolidated fixed charges (including amounts paid in cash for consolidated interest expenses, capital expenditures, scheduled principal payments of indebtedness, and income taxes) for the prior four consecutive fiscal quarters must not be less than 1.25 to 1.00 as of the end of each fiscal quarter. The Credit Agreement also contains negative covenants limiting the Company's or any Subsidiary's ability to, among other things, incur debt, grant liens, make investments, effect certain fundamental changes, make certain asset dispositions, and make certain restricted payments.

As of March 28, 2020, the Company had no amounts outstanding under the Credit Facility and was in compliance with all covenants under the Credit Agreement.

9. Revenues

Disaggregation of revenue

We disaggregate revenue from contracts with customers based on the ship to location of the customer. The geographic regions that are reviewed are the United States and countries outside of the United States (primarily located in Asia).

Total net sales based on the disaggregation criteria described above are as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Non-United States	$1,264,025	$1,159,342	$1,498,454
United States	17,099	26,182	33,732
	$1,281,124	$1,185,524	$1,532,186

See Note 2 — Summary of Significant Accounting Policies for additional discussion surrounding revenue recognition considerations.

10. Leases

The Company has operating leases for corporate offices and certain office equipment. Our leases have remaining lease terms of 1 year to 29 years, some of which include options to extend the leases that are considered reasonably certain to be exercised. Our leases generally contain fixed rental payments, with additional

variable payments linked to actual common area maintenance costs incurred by the landlord. These variable payments are therefore not included within the lease liability and ROU asset, but are recognized as an expense when incurred. As our leases typically do not provide an implicit rate, the Company determined the Incremental Borrowing Rate ("IBR") for each lease based on the information available at the commencement date, taking into consideration necessary adjustments for collateral, currency, and lease term. There are no residual value guarantees in any of our leases. No restrictions or covenants have been imposed on the Company as a result of the lease agreements in place.

The Company also leases a small portion of our office space to tenants under operating leases, receiving monthly rental payments. Payments are generally fixed, with variable payments linked to actual common area maintenance costs incurred. Total fixed lease payments to be received over the life of the lease are recognized on a straight-line basis over the lease term.

All of the Company's leases have been classified as operating leases. Operating leases in excess of 12 months are recognized on the balance sheet, with future lease payments recognized as a liability, measured at present value, and the right-of-use asset recognized for the lease term. A single lease cost is recognized in the income statement over the lease term.

The components of net operating lease expense were as follows (in thousands):

	Fiscal Year Ended March 28, 2020
Operating lease — in excess of 12 months	$13,518
Variable lease	4,721
Short-term lease	119
Operating lease income	(1,296)
Total net operating lease expense	$17,062

Other information related to operating leases was as follows:

	Fiscal Year Ended March 28, 2020
Cash paid for amounts included in the measurement of lease liabilities (in thousands)	
Operating cash flows from operating leases	$13,955
Right-of-use assets obtained in exchange for new operating lease liabilities (in thousands)	1,107
Weighted-average remaining lease term — operating leases (in years)	20
Weighted-average discount rate — operating leases	4%

As of March 28, 2020, there are no leases that have not yet commenced that would create significant rights and obligations on the Company.

Future lease commitments under non-cancellable leases, including extension options reasonably anticipated to be exercised as of March 28, 2020, are as follows (in thousands):

Fiscal Year	Operating Lease Expense	Operating Lease Income
2021	$ 13,823	$1,322
2022	13,459	1,356
2023	13,174	535
2024	12,850	264
2025	12,507	270
Thereafter	147,661	68
Total	$213,474	$3,815
Less imputed interest	(70,582)	—
Total	$142,892	$3,815

Operating lease liabilities consisted of the following (in thousands):

	March 28, 2020
Current lease liabilities	$ 13,580
Non-current lease liabilities	129,312
Total operating lease liabilities	$142,892

11. Restructuring Costs

During the fourth quarter of fiscal year 2020, the Company approved a restructuring plan (the “MEMS Restructuring”), including discontinuing efforts relating to the microelectromechanical systems (“MEMS”) microphone product line. The MEMS Restructuring allows the Company to concentrate our resources on projects that we anticipate will have a larger return on investment. The Company recorded charges of $21.9 million as part of the MEMS Restructuring, which is expected to be substantially complete by the first quarter of fiscal year 2021.

The following table details the total restructuring charges presented in the Consolidated Statements of Income within the “*Restructuring Costs*” line item (in thousands):

	Fiscal Year Ended March 28, 2020
Disposal of equipment, net of recovery from sales (a)	$ 9,578
Impairment and write-off of intangible assets	9,961
Other exit costs (b)	1,903
Personnel-related charges, net of equity cancellations (c)	483
Total	$21,925

a. Includes accelerated depreciation of equipment of $11.5 million, net of $1.9 million of recovery from equipment sold during the fourth quarter of fiscal 2020.
b. Includes $0.6 million of accrued exit costs as of March 28, 2020 which are presented in the “*Other accrued liabilities*” line item of our Consolidated Balance Sheet.
c. Personnel-related charges consists of severance costs of $1.7 million, net of $1.2 million of equity cancellation benefits. Includes $0.4 million of accrued severance as of March 28, 2020 which is presented in the “*Other accrued liabilities*” line item of our Consolidated Balance Sheet.

12. Postretirement Benefit Plans

Defined Benefit Pension Plan

As a result of our acquisition of Wolfson in fiscal year 2015, the Company had a defined benefit pension scheme (the "Scheme"), for some individuals in the United Kingdom. Following the acquisition, the participants in the Scheme no longer accrued benefits and therefore the Company was not required to make contributions in respect of future accruals.

During fiscal year 2018, the Company authorized the termination of the Scheme under which 60 participants had accrued benefits. On March 16, 2018, the Scheme completed a buy-in transaction whereby the assets of the Scheme, together with a final contribution from the Company of $11.0 million, were invested in a bulk purchase annuity contract that fully insured the benefits payable to the members of the Scheme at that time.

The bulk purchase annuity contract was structured to enable the Scheme to move to full buy-out (following which the insurance company became directly responsible for the pension payments). On November 30, 2018, the insurance company confirmed that the buy-out was completed and individual policies had been established for each member. Completion of the buy-out confirmed full and final settlement of the Scheme, and the unamortized loss previously recorded within Accumulated Other Comprehensive Income ("AOCI") of $13.8 million was recognized within other non-operating expense as "U.K. pension settlement" in the third quarter of fiscal year 2019, with the corresponding tax benefit of $2.6 million being recognized within "Provision for income taxes" in the Consolidated Statements of Income. As the buy-out transaction fully settled, there were no further contributions to the Scheme.

Defined Contribution Plans

We have Defined Contribution Plans ("the Plans") covering all of our qualifying employees. Under the Plans, employees may elect to contribute any percentage of their annual compensation up to the annual regulatory limits. The Company made matching employee contributions of $7.5 million, $7.7 million, and $6.7 million during fiscal years 2020, 2019, and 2018, respectively.

13. Equity Compensation

The Company is currently granting equity awards from the 2018 Long Term Incentive Plan (the "Plan"), which was approved by stockholders in August 2018. The Plan provides for granting of stock options, restricted stock awards, performance awards, phantom stock awards, and bonus stock awards, or any combination of the foregoing. To date, the Company has granted stock options, restricted stock awards, phantom stock awards (also called restricted stock units), and performance awards (also called market stock units). Each stock option granted reduces the total shares available for grant under the Plan by one share. Each full value award granted (including restricted stock awards, restricted stock units and market stock units) reduces the total shares available for grant under the Plan by 1.5 shares. Stock options generally vest between zero and four years, and are exercisable for a period of ten years from the date of grant. Restricted stock units are generally subject to vesting from zero to three years, depending upon the terms of the grant. Market stock units are subject to a vesting schedule of three years.

The following table summarizes the activity in total shares available for grant (in thousands):

	Shares Available for Grant
Balance, March 25, 2017	4,692
Shares added	—
Granted	(1,755)
Forfeited	128
Balance, March 31, 2018	3,065
Shares added	2,509
Granted	(2,371)
Forfeited	120
Balance, March 30, 2019	3,323
Shares added	248
Granted	(1,686)
Forfeited	210
Balance, March 28, 2020	2,095

Stock-based Compensation Expense

The following table summarizes the effects of stock-based compensation on cost of goods sold, research and development, sales, general and administrative, pre-tax income, and net income after taxes for shares granted under the Plan (in thousands, except per share amounts):

	Fiscal Year		
	2020	2019	2018
Cost of sales	$ 908	$ 877	$ 1,474
Research and development	33,859	29,115	26,137
Sales, general and administrative	18,990	19,697	21,130
Effect on pre-tax income	53,757	49,689	48,741
Income Tax Benefit	(9,336)	(5,748)	(5,953)
Total stock-based compensation expense (net of taxes)	44,421	43,941	42,788
Stock-based compensation effects on basic earnings per share	$ 0.76	$ 0.73	$ 0.67
Stock-based compensation effects on diluted earnings per share	0.73	0.71	0.65

The total stock-based compensation expense included in the table above and which is attributable to restricted stock units and market stock units was $50.0 million, $45.5 million, $44.2 million, for fiscal years 2020, 2019, and 2018, respectively. Stock-based compensation expense is presented within operating activities in the Consolidated Statement of Cash Flows.

As of March 28, 2020, there was $97.1 million of compensation costs related to non-vested stock options, restricted stock units, and market stock units granted under the Company's equity incentive plans not yet recognized in the Company's financial statements. The unrecognized compensation cost is expected to be recognized over a weighted average period of 1.31 years for stock options, 1.61 years for restricted stock units, and 1.55 years for market stock units.

In addition to the income tax benefit of stock-based compensation expense shown in the table above, the Company recognized excess tax benefits of $4.9 million, $0.9 million and $11.7 million in fiscal years 2020, 2019, and 2018 respectively.

Stock Options

We estimate the fair value of each stock option on the date of grant using the Black-Scholes option-pricing model using a dividend yield of zero and the following additional assumptions:

	March 28, 2020	March 30, 2019	March 31, 2018
Expected stock price volatility	37.17% - 41.61%	38.00% - 38.14%	37.36%
Risk-free interest rate	1.54% - 2.29%	2.57% - 2.94%	1.67%
Expected term (in years)	3.81 - 4.55	3.12 - 3.73	3.03

The Black-Scholes valuation calculation requires us to estimate key assumptions such as stock price volatility, expected term, risk-free interest rate and dividend yield. The expected stock price volatility is based upon implied volatility from traded options on our stock in the marketplace. The expected term of options granted is derived from an analysis of historical exercises and remaining contractual life of stock options, and represents the period of time that options granted are expected to be outstanding after becoming vested. The risk-free interest rate reflects the yield on zero-coupon U.S. Treasury securities for a period that is commensurate with the expected term assumption. Finally, we have never paid cash dividends, do not currently intend to pay cash dividends, and thus have assumed a zero percent dividend yield.

Using the Black-Scholes option valuation model, the weighted average estimated fair values of employee stock options granted in fiscal years 2020, 2019, and 2018, were $29.25, $16.27, and $19.87, respectively.

During fiscal years 2020, 2019, and 2018, we received a net $18.6 million, $1.6 million, and $4.4 million, respectively, from the exercise of 0.8 million, 0.1 million, and 0.2 million, respectively, stock options granted under the Company's Stock Plan.

The total intrinsic value of stock options exercised during fiscal year 2020, 2019, and 2018, was $34.0 million, $2.6 million, and $9.8 million, respectively. Intrinsic value represents the difference between the market value of the Company's common stock at the time of exercise and the strike price of the stock option.

Additional information with respect to stock option activity is as follows (in thousands, except per share amounts):

	Outstanding Options	
	Number	Weighted Average Exercise Price
Balance, March 25, 2017	1,758	$27.25
Options granted	216	55.72
Options exercised	(234)	18.84
Options forfeited	—	—
Options expired	—	—
Balance, March 31, 2018	1,740	$31.91
Options granted	280	40.41
Options exercised	(108)	15.03
Options forfeited	(38)	49.62
Options expired	(9)	55.01
Balance, March 30, 2019	1,865	$33.68
Options granted	169	66.93
Options exercised	(780)	23.90
Options forfeited	(27)	50.75
Options expired	(11)	55.03
Balance, March 28, 2020	1,216	$44.01

Additional information with regards to outstanding options that are vesting, expected to vest, or exercisable as of March 28, 2020 is as follows (in thousands, except years and per share amounts):

	Number of Options	Weighted Average Exercise price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Vested and expected to vest	1,205	$43.90	6.49	$22,733
Exercisable	781	$38.41	5.31	$18,360

In accordance with U.S. GAAP, stock options outstanding that are expected to vest are presented net of estimated future option forfeitures, which are estimated as compensation costs are recognized. Options with a fair value of $4.7 million, $4.1 million, and $3.8 million, became vested during fiscal years 2020, 2019, and 2018, respectively.

The following table summarizes information regarding outstanding and exercisable options as of March 28, 2020 (in thousands, except per share amounts):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$14.58 - $31.25	324	4.51	$26.98	324	$26.98
$33.38 - $38.99	240	4.76	38.11	188	38.11
$41.49 - $42.64	183	8.63	41.56	54	41.49
$54.65 - $54.65	154	6.60	54.65	127	54.65
$55.72 - $55.72	157	7.60	55.72	88	55.72
$68.56 - $68.56	158	9.61	68.56	—	—
	1,216	6.51	$44.01	781	$38.41

As of March 28, 2020 and March 30, 2019, the number of options exercisable was 0.8 million and 1.3 million, respectively.

Restricted Stock Units

Commencing in fiscal year 2011, the Company began granting restricted stock units ("RSUs") to select employees. These awards are valued as of the grant date and amortized over the requisite vesting period. Generally, RSUs vest 100 percent on the first to third anniversary of the grant date depending on the vesting specifications. A summary of the activity for RSUs in fiscal year 2020, 2019, and 2018 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
March 25, 2017	2,995	$34.91
Granted	936	55.79
Vested	(1,077)	24.79
Forfeited	(85)	41.09
March 31, 2018	2,769	$45.70
Granted	1,416	40.57
Vested	(1,176)	33.65
Forfeited	(175)	48.15
March 30, 2019	2,834	$47.99
Granted	1,014	66.76
Vested	(897)	51.20
Forfeited	(271)	50.82
March 28, 2020	2,680	$53.74

The aggregate intrinsic value of RSUs outstanding as of March 28, 2020 was $165.9 million. Additional information with regards to outstanding RSUs that are expected to vest as of March 28, 2020, is as follows (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value	Weighted Average Remaining Contractual Term (years)
Expected to vest	2,558	$53.60	1.59

RSUs outstanding that are expected to vest are presented net of estimated future forfeitures, which are estimated as compensation costs are recognized. RSUs with a fair value of $45.9 million and $39.6 million became vested during fiscal years 2020 and 2019, respectively. The majority of RSUs that vested in 2020 and 2019 were net settled such that the Company withheld a portion of the shares to satisfy tax withholding requirements. In fiscal years 2020 and 2019, the vesting of RSUs reduced the authorized and unissued share balance by approximately 0.9 million and 1.2 million, respectively. Total shares withheld and subsequently retired out of the Plan were approximately 0.3 million and 0.3 million, and total payments for the employees' tax obligations to taxing authorities were $18.3 million and $13.1 million for fiscal years 2020 and 2019, respectively.

Market Stock Units

In fiscal year 2015, the Company began granting market stock units ("MSUs") to select employees. MSUs vest based upon the relative total shareholder return ("TSR") of the Company as compared to that of the Philadelphia Semiconductor Index ("the Index"). The requisite service period for these MSUs is also the vesting period, which is three years. The fair value of each MSU granted was determined on the date of grant using the Monte Carlo simulation, which calculates the present value of the potential outcomes of future stock prices of the Company and the Index over the requisite service period. The fair value is based on the risk-free rate of return,

the volatilities of the stock price of the Company and the Index, the correlation of the stock price of the Company with the Index, and the dividend yield.

The fair values estimated from the Monte Carlo simulation were calculated using a dividend yield of zero and the following additional assumptions:

	Fiscal Years Ended	
	March 28, 2020	March 30, 2019
Expected stock price volatility	37.17% - 41.61%	38.00% - 38.14%
Risk-free interest rate	1.59% - 2.28%	2.62% - 3.01%
Expected term (in years)	3.00	3.00

Using the Monte Carlo simulation, the weighted average estimated fair value of the MSUs granted in fiscal year 2020 was $95.89. A summary of the activity for MSUs in fiscal year 2020, 2019, and 2018 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
March 25, 2017	180	$47.30
Granted	89	47.26
Vested	(70)	22.00
Forfeited	—	—
March 31, 2018	199	$56.16
Granted	68	53.13
Vested	—	—
Forfeited	(101)	43.41
March 30, 2019	166	$62.77
Granted	45	95.89
Vested	—	—
Forfeited	(58)	73.25
March 28, 2020	153	$68.71

The aggregate intrinsic value of MSUs outstanding as of March 28, 2020 was $9.5 million. Additional information with regard to outstanding MSUs that are expected to vest as of March 28, 2020 is as follows (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value	Weighted Average Remaining Contractual Term (years)
Expected to vest	147	$68.38	1.53

MSUs with a fair value of $1.5 million became vested during fiscal year 2018. No MSUs became vested in fiscal years 2020 and 2019.

14. Commitments and Contingencies

Facilities and Equipment Under Operating and Capital Lease Agreements

We currently own our corporate headquarters and select surrounding properties. We lease certain of our other facilities and certain equipment under operating lease agreements, some of which have renewal options. Certain of these arrangements provide for lease payment increases based upon future fair market rates. As of March 28, 2020, our principal facilities are located in Austin, Texas and Edinburgh, Scotland, United Kingdom.

Total rent expense under operating leases was approximately $18.4 million, $12.7 million, and $11.5 million, for fiscal years 2020, 2019, and 2018, respectively. Rental income was $1.3 million, $0.2 million, and $0.3 million, for fiscal years 2020, 2019, and 2018, respectively.

See Note 10 — Leases for minimum future rental commitments and income under all operating leases as of March 28, 2020.

Wafer, Assembly, Test and Other Purchase Commitments

We rely primarily on third-party foundries for our wafer manufacturing needs. Generally, our foundry agreements do not have volume purchase commitments and primarily provide for purchase commitments based on purchase orders. Cancellation fees or other charges may apply and are generally dependent upon whether wafers have been started or the stage of the manufacturing process at which the notice of cancellation is given. As of March 28, 2020, we had foundry commitments of $131.9 million.

In addition to our wafer supply arrangements, we contract with third-party assembly vendors to package the wafer die into finished products. Assembly vendors provide fixed-cost-per-unit pricing, as is common in the semiconductor industry. We had non-cancelable assembly purchase orders with numerous vendors totaling $4.0 million at March 28, 2020.

Test vendors provide fixed-cost-per-unit pricing, as is common in the semiconductor industry. Our total non-cancelable commitment for outside test services as of March 28, 2020 was $15.0 million.

Other purchase commitments primarily relate to multi-year tool commitments, and were $21.6 million at March 28, 2020.

15. Legal Matters

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made. Based on current knowledge, management does not believe that there are any pending matters that could potentially have a material adverse effect on our business, financial condition, results of operations or cash flows.

16. Stockholders' Equity

Share Repurchase Program

In January 2018, the Company announced that the Board of Directors authorized a share repurchase program of up to $200 million of the Company's common stock. As of March 28, 2020, the Company had repurchased 4.9 million shares at a cost of $200.0 million, or an average cost of $41.17 per share. No balances remain available for repurchase under this plan. In January 2019, the Board of Directors authorized the repurchase of up to an additional $200 million of the Company's common stock. As of March 28, 2020, 1.2 million shares have been repurchased under the new plan at a cost of $80.0 million, or an average cost of $64.39 per share. Approximately $120.0 million remain available for repurchase under this plan. All of these shares were repurchased in the open market and were funded from existing cash. All shares of our common stock that were repurchased were retired as of March 28, 2020.

Preferred Stock

We have 5.0 million shares of Preferred Stock authorized. As of March 28, 2020, we have not issued any of the authorized shares.

17. Accumulated Other Comprehensive Loss

Our accumulated other comprehensive loss is comprised of foreign currency translation adjustments, unrealized gains and losses on investments classified as available-for-sale, actuarial gains and losses on our

defined benefit pension plan assets prior to fiscal year 2020, and cumulative effects of adopting new accounting standards.

The following table summarizes the changes in the components of accumulated other comprehensive loss, net of tax (in thousands):

	Foreign Currency	Unrealized Gains (Losses) on Securities	Actuarial Gains (Losses) on Defined Benefit Pension Plan	Cumulative Effect of Adoption of ASU 2018-02	Total
Balance, March 31, 2018	$ 1,489	$(1,661)	$(11,189)	$ —	$(11,361)
Current period foreign exchange translation	(3,125)	—	—	—	(3,125)
Current period marketable securities activity	—	2,823	—	—	2,823
Current period actuarial gain/loss activity	—	—	13,814	—	13,814
Tax effect	—	(592)	(2,625)	—	(3,217)
Balance, March 30, 2019	$(1,636)	$ 570	$ —	$ —	$ (1,066)
Current period foreign exchange translation	68	—	—	—	68
Current period marketable securities activity	—	(2,803)	—	—	(2,803)
Current period actuarial gain/loss activity	—	—	—	—	—
Cumulative effect of adoption of ASU 2018-02	—	—	—	(257)	(257)
Tax effect	—	589	—	—	589
Balance, March 28, 2020	$(1,568)	$(1,644)	$ —	$(257)	$ (3,469)

18. Income Taxes

Income before income taxes consisted of (in thousands):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
U.S.	$ 44,154	$41,980	$ 91,220
Non-U.S.	137,112	51,764	173,879
	$181,266	$93,744	$265,099

The provision (benefit) for income taxes consists of (in thousands):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Current:			
U.S.	$ 5,241	$ (7,109)	$ 66,082
Non-U.S.	21,634	12,428	21,812
Total current tax provision	$26,875	$ 5,319	$ 87,894
Deferred:			
U.S.	(561)	5,441	19,309
Non-U.S.	(4,546)	(7,007)	(4,099)
Total deferred tax provision	(5,107)	(1,566)	15,210
Total tax provision	$21,768	$ 3,753	$103,104

The effective income tax rates differ from the rates computed by applying the statutory federal rate to pretax income as follows (in percentages):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
U.S. federal statutory rate	21.0	21.0	31.6
Foreign income taxed at different rates	(5.5)	(2.9)	(9.6)
Transition tax on deferred foreign income	—	(11.8)	20.3
Remeasurement of U.S. deferred tax balance	—	(0.1)	2.3
Research and development tax credits	—	(6.7)	(2.5)
Stock-based compensation	(2.7)	(1.0)	(4.5)
Foreign-derived intangible income deduction	(0.8)	(2.8)	—
Current U.S. tax on foreign earnings	1.1	2.2	0.7
Change in valuation allowance	(0.1)	4.4	—
Release of prior year unrecognized tax benefits	(2.3)	—	—
Interest related to unrecognized tax benefits	0.5	1.6	—
Other	0.8	0.1	0.6
Effective tax rate	12.0	4.0	38.9

The Tax Act was enacted on December 22, 2017. The Tax Act reduced the U.S. federal corporate income tax rate from 35% to 21%, restricted the deductibility of certain business expenses, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax-deferred, and created new taxes on certain foreign sourced earnings, among other provisions. We recognized a provisional amount of $60.1 million during fiscal year 2018, which was included as a component of income tax expense from continuing operations. Our accounting for the enactment-date effects of the Tax Act was completed during the quarter ended December 29, 2018 and we recognized an $11.1 million reduction to the provisional amounts, which was included as a component of income tax expense from continuing operations during fiscal year 2019. We elected to pay our transition tax over the eight-year period provided in the Tax Act. As of March 28, 2020, the remaining balance of our transition tax obligation is $27.0 million, which will be paid over the next six years.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), a relief package comprising a combination of income and payroll tax provisions and other stimulus measures. The CARES Act broadly provides entities tax payment relief and significant business

incentives and makes certain technical corrections to the Tax Act. The income tax relief measures for entities include an expanded net operating loss carryback, increased interest expense deduction limits, acceleration of alternative minimum tax credit refunds and a technical correction to allow accelerated deductions for qualified improvement property. Similar legislation is being enacted in other jurisdictions in which the Company operates. ASC 740, Income Taxes, requires the effect of changes in tax rates and laws on deferred tax balances to be recognized in the period in which new legislation is enacted. The enactment of the CARES Act and similar legislation in other jurisdictions did not have a material impact on the provision for income taxes in the period ended March 28, 2020.

On July 27, 2015, the U.S. Tax Court issued an opinion in Altera Corp. et al. v. Commissioner which concluded that the regulations relating to the treatment of stock-based compensation expense in intercompany cost-sharing arrangements were invalid. In 2016 the U.S. Internal Revenue Service appealed the decision to the U.S. Court of Appeals for the Ninth Circuit (the “Ninth Circuit”). On July 24, 2018, the Ninth Circuit issued a decision that was subsequently withdrawn and a reconstituted panel has conferred on the appeal. On June 7, 2019, the Ninth Circuit reversed the decision of the U.S. Tax Court and upheld the cost-sharing regulations. On February 10, 2020, Altera Corp. filed a Petition for a Writ of Certiorari with the Supreme Court of the United States. The final resolution with respect to cost-sharing of stock-based compensation and the potential impact on the Company is unclear at this time. We will continue to monitor developments related to this decision and the potential impact of those developments on the Company’s current and prior fiscal years.

As of March 28, 2020, unremitted earnings of our foreign subsidiaries that can be distributed without tax consequence, other than withholding taxes that may apply based on the jurisdiction of the subsidiary, are not expected to be indefinitely reinvested. No taxes have been accrued for foreign withholding taxes on these earnings as these amounts are not material. We have not provided additional income taxes for other outside basis differences inherent in our foreign entities, as these amounts continue to be indefinitely reinvested in foreign operations. Determining the amount of unrecognized deferred tax liability related to all other outside basis differences in these entities is not practicable at this time.

Significant components of our deferred tax assets and liabilities as of March 28, 2020 and March 30, 2019 are (in thousands):

	March 28, 2020	March 30, 2019
Deferred tax assets:		
Accrued expenses and allowances	$ 2,750	$ 4,024
Net operating loss carryforwards	2,093	2,940
Research and development tax credit carryforwards	13,066	13,111
Stock-based compensation	8,380	14,667
Lease liabilities	18,095	—
Other	1,260	1,261
Total deferred tax assets	$ 45,644	$ 36,003
Valuation allowance for deferred tax assets	(12,596)	(18,588)
Net deferred tax assets	$ 33,048	$ 17,415
Deferred tax liabilities:		
Depreciation and amortization	$ 5,425	$ 8,913
Right of use asset	17,391	—
Acquisition intangibles	4,645	8,803
Total deferred tax liabilities	$ 27,461	$ 17,716
Total net deferred tax assets (liabilities)	$ 5,587	$ (301)

Deferred tax assets and liabilities are recorded for the estimated tax impact of temporary differences between the tax basis and book basis of assets and liabilities. A valuation allowance is established against a deferred tax asset when it is more likely than not that the deferred tax asset will not be realized. Our valuation allowance decreased by $6.0 million in fiscal year 2020, which included a decrease of $5.8 million with no effect on tax expense and a decrease of $0.2 million which affected tax expense. The Company maintains a valuation allowance for certain deferred tax assets primarily relating to certain U.S. federal tax deductions, state net operating loss carryforwards, and state tax credit carryforwards due to the likelihood that they will expire or go unutilized. Management believes that the Company's results from future operations will generate sufficient taxable income in the appropriate jurisdictions and of the appropriate character such that it is more likely than not that the remaining deferred tax assets will be realized.

At March 28, 2020, the Company had gross federal net operating loss carryforwards of $6.3 million, all of which related to acquired companies and are, therefore, subject to certain limitations under Section 382 of the Internal Revenue Code. The federal net operating loss carryforwards expire in fiscal years 2021 through 2031. At March 28, 2020, the Company had gross state net operating loss carryforwards of $12.4 million. The state net operating loss carryforwards expire in fiscal years 2021 through 2029. In addition, the Company had $13.3 million of state business tax, minimum tax, and research and development tax credit carryforwards. Certain of these state tax credits will expire in fiscal years 2021 through 2034. The remaining state tax credit carryforwards do not expire.

The following table summarizes the changes in the unrecognized tax benefits (in thousands):

	March 28, 2020	March 30, 2019
Beginning balance	$39,746	$ 55,164
Additions based on tax positions related to the current year	615	2,204
Reductions based on tax positions related to the prior years	(4,153)	(17,622)
Ending balance	$36,208	$ 39,746

At March 28, 2020, the Company had gross unrecognized tax benefits of $36.2 million, all of which would impact the effective tax rate if recognized. During fiscal year 2020, the Company had gross increases of $0.6 million related to current year unrecognized tax positions, as well as gross decreases of $4.2 million related to prior year unrecognized tax positions. The Company's unrecognized tax benefits are classified as "*Non-current income taxes*" in the Consolidated Balance Sheet.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. During fiscal years 2020 and 2019 we recognized interest expense, net of tax, of approximately $0.9 million and $1.5 million, respectively. The total amount of interest accrued as of March 28, 2020 was $3.5 million.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in multiple state and foreign jurisdictions. Fiscal years 2017 through 2020 remain open to examination by the major taxing jurisdictions to which the Company is subject, although carry forward attributes that were generated in tax years prior to fiscal year 2017 may be adjusted upon examination by the tax authorities if they have been, or will be, used in a future period. The Company's fiscal year 2017, 2018, and 2019 federal income tax returns are under examination by the U.S. Internal Revenue Service. The Company believes it has accrued adequate reserves related to the matters under examination. The Company is not under an income tax audit in any other major taxing jurisdiction.

19. Segment Information

We determine our operating segments in accordance with Financial Accounting Standards Board ("FASB") guidelines. Our Chief Executive Officer ("CEO") has been identified as the chief operating decision maker under these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue performance in two product lines, which currently are portable and non-portable and other. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share operations support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology. Therefore, there is no complete, discrete financial information maintained for these product lines. Revenue from our product lines are as follows (in thousands):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Portable Products	$1,146,918	$1,032,049	$1,363,876
Non-Portable and Other Products	134,206	153,475	168,310
	$1,281,124	$1,185,524	$1,532,186

Geographic Area

The following illustrates sales by ship to location of the customer (in thousands):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
United States	$ 17,099	$ 26,182	$ 33,732
EMEA	12,676	14,406	15,458
China	975,090	922,202	1,264,000
Hong Kong	205,314	166,460	162,652
Japan	8,149	9,210	12,131
Taiwan	12,407	17,106	13,224
Other Asia	27,429	18,439	20,044
Other non-U.S. countries	22,960	11,519	10,945
Total consolidated sales	$1,281,124	$1,185,524	$1,532,186

The following illustrates property, plant and equipment, net, by geographic locations, based on physical location (in thousands):

	Fiscal Years Ended	
	March 28, 2020	March 30, 2019
United States	$103,866	$126,292
EMEA	49,873	39,426
China	1,268	1,682
Japan	35	73
South Korea	269	870
Taiwan	2,421	15,349
Other Asia	512	1,999
Other non-U.S. countries	—	494
Total consolidated property, plant and equipment, net	$158,244	$186,185

20. Quarterly Results (Unaudited)

The following quarterly results have been derived from our audited annual consolidated financial statements. In the opinion of management, this unaudited quarterly information has been prepared on the same basis as the annual consolidated financial statements and includes all adjustments, including normal recurring adjustments, necessary for a fair presentation of this quarterly information. This information should be read along with the financial statements and related notes. The operating results for any quarter are not necessarily indicative of results to be expected for any future period.

The unaudited quarterly statement of operations data for each quarter of fiscal years 2020 and 2019 were as follows (in thousands, except per share data):

	Fiscal Year 2020			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$238,253	$388,912	$374,668	$279,291
Gross profit	122,494	207,933	197,505	146,235
Net income	4,618	76,210	68,512	10,158
Basic income per share	$ 0.08	$ 1.31	$ 1.18	$ 0.17
Diluted income per share	0.08	1.27	1.13	0.17

	Fiscal Year 2019			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$254,483	$366,305	$324,295	$240,441
Gross profit	124,559	185,119	163,180	124,639
Net income (loss)	(4,272)	58,173	29,933	6,157
Basic income (loss) per share	$ (0.07)	$ 0.96	$ 0.50	$ 0.10
Diluted income (loss) per share	(0.07)	0.93	0.49	0.10

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(e) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our chief executive officer (CEO) and chief financial officer (CFO), the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(b) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Based upon the evaluation, our management, including our CEO and CFO, has concluded that our disclosure controls and procedures were effective as of March 28, 2020.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this report based on the criteria set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Because of its inherent limitation, internal control over financial reporting may not prevent or detect all errors and all fraud. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment of internal control over financial reporting, management has concluded that our internal control over financial reporting was effective as of March 28, 2020, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on management's assessment of our internal control over financial reporting as of March 28, 2020, included in Item 8 of this report.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended March 28, 2020, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

ITEM 10. *Directors, Executive Officers and Corporate Governance*

The information set forth in the proxy statement to be delivered to stockholders in connection with our Annual Meeting of Stockholders to be held on July 31, 2020 (the "Proxy Statement") under the headings *Corporate Governance — Board Meetings and Committees, Corporate Governance — Audit Committee, Proposals to be Voted on — Proposal No. 1 — Election of Directors* is incorporated herein by reference.

ITEM 11. *Executive Compensation*

The information set forth in the Proxy Statement under the headings *Director Compensation Arrangements*, *Compensation Discussion and Analysis, Compensation Committee Report,* and *Proposals to be Voted on — Proposal No. 3 — Advisory Vote to Approve Executive Compensation and Proposal No. 4 — Approval of the First Amendment to the 2018 Long Term Incentive Plan* is incorporated herein by reference.

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information set forth in the Proxy Statement under the headings *Equity Compensation Plan Information* and *Security Ownership of Certain Beneficial Owners and Management* is incorporated herein by reference.

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence*

The information set forth in the Proxy Statement under the headings *Certain Relationships and Related Transactions* and *Corporate Governance* is incorporated herein by reference.

ITEM 14. *Principal Accountant Fees and Services*

The information set forth in the Proxy Statement under the headings *Audit and Non-Audit Fees and Services* and *Proposal No. 2 — Ratification of Appointment of Independent Registered Public Accounting Firm* is incorporated herein by reference.

PART IV

ITEM 15. *Exhibits and Financial Statement Schedules*

(a) The following documents are filed as part of this Report:

1. Consolidated Financial Statements

- Reports of Ernst & Young LLP, Independent Registered Public Accounting Firm.
- Consolidated Balance Sheets as of March 28, 2020 and March 30, 2019.
- Consolidated Statements of Income for the fiscal years ended March 28, 2020, March 30, 2019, and March 31, 2018.
- Consolidated Statements of Comprehensive Income for the fiscal years ended March 28, 2020, March 30, 2019, and March 31, 2018.
- Consolidated Statements of Cash Flows for the fiscal years ended March 28, 2020, March 30, 2019, and March 31, 2018.
- Consolidated Statements of Stockholders' Equity for the fiscal years ended March 28, 2020, March 30, 2019, and March 31, 2018.
- Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

All schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.

3. Exhibits

The following exhibits are files as part of or incorporated by reference into this Annual Report on Form 10-K.

Number	Description
3.1	Certificate of Incorporation of Registrant, filed with the Delaware Secretary of State on August 26, 1998. (1)
3.2	Amended and Restated Bylaws of Registrant. (2)
10.1+	Cirrus Logic, Inc. 2006 Stock Incentive Plan, amended and restated as of May 26, 2015. (6)
10.2+	Form of Stock Option Agreement for options granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (3)
10.3+	Form of Stock Option Agreement for options for U.K. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (9)
10.4+	Form of Notice of Grant of Stock Option for options granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (3)
10.5+	Form of Stock Option Agreement for Outside Directors under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (5)
10.6+	Form of Restricted Stock Unit Agreement for U.S. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (4)
10.7+	Form of Restricted Stock Unit Agreement for U.K. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (8)
10.8+	Form of Notice of Grant of Restricted Stock Units granted under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (4)

Number	Description
10.9+	Form of Performance Award Agreement for U.S. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (7)
10.10+	Form of Notice of Performance Award Agreement for U.S. Employees under the Cirrus Logic Inc. 2006 Stock Incentive Plan. (8)
10.11+	Form of Performance Award Agreement for U.K. Employees under the Cirrus Logic, Inc. 2006 Stock Incentive Plan. (9)
10.12+	Executive Severance and Change of Control Plan, effective as of October 1, 2007, as amended and restated on April 1, 2018. (11)
10.13+	2007 Management and Key Individual Contributor Incentive Plan, as amended on May 20, 2016. (9)
10.14+	Cirrus Logic, Inc. 2018 Long Term Incentive Plan. (12)
10.15+	Form of Restricted Stock Unit Agreement. (12)
10.16+	Form of Notice of Grant of Restricted Stock Units. (12)
10.17+	Form of Performance Award Agreement. (12)
10.18+	Form of Notice of Grant of Performance Award. (12)
10.19+	Form of Stock Option Agreement. (12)
10.20+	Form of Notice of Grant of Stock Option. (12)
10.21+	Form of Notice of Grant of Stock Award. (12)
10.22	Amended and Restated Credit Agreement among the Company, Wells Fargo Bank, National Association, as Administrative Agent and Initial Issuing Lender, and Bank of America, N.A., as Syndication Agent. (10)
14.1	Code of Conduct, dated March 24, 2015. (8)
21.1	List of Subsidiaries.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (see signature page).
31.1	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

Number	Description
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

+ Indicates a management contract or compensatory plan or arrangement.

(1) Incorporated by reference from Registrant's Report on Form 10-K for the fiscal year ended March 31, 2001, filed with the SEC on June 22, 2001 (Registration No. 000-17795).
(2) Incorporated by reference from Registrant's Report on Form 8-K filed with the Commission on January 29, 2020 (Registration No. 000-17795).
(3) Incorporated by reference from Registration's Statement on Form S-8 filed with the SEC on August 1, 2006 (Registration No. 000-17795).
(4) Incorporated by reference from Registrant's Report on Form 8-K filed with the SEC on October 7, 2010.
(5) Incorporated by reference from Registrant's Report on Form 8-K filed with the SEC on August 1, 2007.
(6) Incorporated by reference to Exhibit A of the Registrant's Definitive Proxy Statement on Schedule 14A filed with the SEC on June 2, 2015.
(7) Incorporated by reference from Registrant's Report on Form 8-K filed with the SEC on September 22, 2014.
(8) Incorporated by reference from Registrant's Report on Form 10-K filed with the SEC on May 27, 2015 (Registration No. 000-17795).
(9) Incorporated by reference from Registrant's Report on Form 10-K filed with the SEC on May 25, 2016 (Registration No. 000-17795).
(10) Incorporated by reference from Registrant's Report on Form 8-K with the SEC on July 15, 2016 (Registration No. 000-17795).
(11) Incorporated by reference from Registrant's Report on Form 10-K with the SEC on May 30, 2018 (Registration No. 000-17795).
(12) Incorporated by reference from Registrant's Statement on Form S-8 filed with the SEC on August 3, 2018 (Registration No. 333-226578).

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized.

CIRRUS LOGIC, INC.

By: /s/ THURMAN K. CASE

Thurman K. Case
Vice President, Chief Financial Officer and
Principal Accounting Officer
May 20, 2020

KNOW BY THESE PRESENT, that each person whose signature appears below constitutes and appoints Thurman K. Case, his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of the attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of the Registrant, in the capacities and on the dates indicated have signed this report below:

Signature	Title	Date
/s/ JASON P. RHODE Jason P. Rhode	Chief Executive Officer	May 20, 2020
/s/ THURMAN K. CASE Thurman K. Case	Vice President, Chief Financial Officer and Principal Accounting Officer	May 20, 2020
/s/ JOHN C. CARTER John C. Carter	Director	May 20, 2020
/s/ ALEX DAVERN Alex Davern	Director	May 20, 2020
/s/ TIMOTHY R. DEHNE Timothy R. Dehne	Director	May 20, 2020
/s/ DEIRDRE HANFORD Deirdre Hanford	Director	May 20, 2020
/s/ CATHERINE P. LEGO Catherine P. Lego	Director	May 20, 2020
/s/ ALAN R. SCHUELE Alan R. Schuele	Director	May 20, 2020
/s/ DAVID J. TUPMAN David J. Tupman	Director	May 20, 2020

JASON P. RHODE
Chief Executive Officer

June 3, 2020

To our Stockholders:

I would like to invite you to participate in the Annual Meeting of Stockholders of Cirrus Logic, Inc. to be held on Friday, July 31, 2020, at 11:00 a.m. Central Time. This year's Annual Meeting will once again be a virtual-only stockholder meeting, which, in addition to allowing for saving travel and other costs, will allow a broader group of stockholders to participate. You will be able to participate, vote, and submit your questions during the meeting on a live webcast at www.virtualshareholdermeeting.com/CRUS2020. To access this website and enter the meeting, you should have available your control number, which is included with the proxy materials. We intend to hold the virtual-only meeting in a manner that affords you the same rights and opportunities to participate as you would have at an in-person meeting.

We are providing the proxy materials electronically via the internet, which will allow our stockholders to have immediate access to those materials at their discretion. Paper copies may also be requested.

Even if you plan to participate in the Annual Meeting by live webcast, I hope you will vote as soon as possible. Although you may vote the day of the Annual Meeting, you may also vote in advance via the internet, as well as by telephone, or by mailing a proxy card. Voting in advance over the internet, by telephone, or by written proxy will ensure your representation at the Annual Meeting if you do not participate in the virtual meeting. Please review the instructions on the Notice of Internet Availability or the proxy card regarding each of these voting options.

Cirrus Logic values the participation of its stockholders. Your vote is an important part of our system of corporate governance, and I strongly encourage you to participate.

Sincerely,

Jason P. Rhode
Chief Executive Officer

TABLE OF CONTENTS

	Page
Notice of Annual Meeting of Stockholders	1
Questions and Answers About the Proxy Materials, the Annual Meeting, and Voting Procedures	3
Corporate Governance	8
Proposals To Be Voted On	17
Proposal No. 1: Election of Directors	17
Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm	21
Proposal No. 3: Advisory Vote To Approve Executive Compensation	22
Proposal No. 4: Approval of the First Amendment to the 2018 Long Term Incentive Plan	22
Other Matters	31
Security Ownership of Certain Beneficial Owners and Management	32
Executive Officers	34
Compensation Discussion and Analysis	35
Compensation Committee Report	55
Consideration of Risk Related to Compensation Programs	55
Executive Compensation Tables	57
Equity Compensation Plan Information	68
Pay Ratio Disclosure	69
Report of the Audit Committee of the Board	70
Audit and Non-Audit Fees and Services	71
Certain Relationships and Related Transactions	72
Householding	73
Communicating with Us	74
Annual Report	75
Annex	76
Exhibits	77

Important Notice Regarding the Availability of Proxy Materials for the 2020 Annual Meeting of Stockholders to be held July 31, 2020

Copies of the Notice of the 2020 Annual Meeting of Stockholders, this proxy statement, and our Annual Report on Form 10-K are also available on our website at *www.cirrus.com*. You also may receive copies of these documents at no charge upon request directed to:

Cirrus Logic, Inc. Investor Relations
800 W. 6th Street, Austin, Texas 78701
telephone: (512) 851-4125; email: Investor.Relations@cirrus.com

Cirrus Logic, Inc.
800 W. 6th Street
Austin, Texas 78701

2020 Annual Meeting of Stockholders

July 31, 2020
YOUR VOTE IS IMPORTANT

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Cirrus Logic, Inc. (the “Company” or “we”) will hold our 2020 Annual Meeting of Stockholders as follows:

Friday, July 31, 2020
11:00 A.M. (Central Daylight Time)
Via live webcast available at www.virtualshareholdermeeting.com/CRUS2020

This year’s Annual Meeting will again be a virtual-only meeting, which we intend to hold in a manner that affords you the same rights and opportunities to participate as you would have at an in-person meeting. You will be able to attend, vote, and submit your questions during the meeting on a live webcast via the internet at www.virtualshareholdermeeting.com/CRUS2020. To access this website and enter the meeting, you must have your control number available. You will not be able to attend the Annual Meeting in person.

At the meeting, stockholders will vote on the following matters:

(i) the election of eight nominees named in this proxy statement to serve as Company directors for one-year terms;

(ii) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 27, 2021;

(iii) an advisory (non-binding) vote to approve executive compensation;

(iv) the approval of the first amendment to the 2018 Long Term Incentive Plan; and

(v) such other business as may properly come before the meeting.

You can vote four different ways. You can vote by participating in the virtual meeting online, or you can vote in advance of the virtual meeting by internet, by telephone, or by mail. For specific voting information, please see “Questions and Answers about the Proxy Materials, the Annual Meeting, and Voting Procedures” on page 3.

Stockholders of record at the close of business on June 1, 2020, are entitled to notice of, and to vote at, the Annual Meeting. On June 1, 2020, approximately 58,375,950 shares of the Company common stock were outstanding. Each share entitles the holder to one vote. A complete list of the stockholders entitled to vote at the meeting will be open to the examination of any stockholder for any purpose germane to the meeting for at least 10 days prior to the meeting and during the meeting.

The Board of Directors of the Company asks you to vote in favor of the eight nominated directors and for proposals 2, 3 and 4. The Company knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the proxy to vote the shares they represent as the Board may recommend. Discretionary authority with respect to such other matters is granted by the execution of

the proxy. This proxy statement provides you with detailed information about each proposal. We are also using this proxy statement to discuss our corporate governance and compensation practices and philosophies.

We encourage you to read this proxy statement carefully. In addition, you may obtain information about the Company from the Annual Report to Stockholders and from other documents that we have filed with the Securities and Exchange Commission.

PROXY STATEMENT

2020 ANNUAL MEETING OF STOCKHOLDERS
To Be Held Friday, July 31, 2020

Cirrus Logic, Inc.
800 W. 6th Street
Austin, Texas 78701
www.cirrus.com

These proxy materials are furnished to you in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Cirrus Logic, Inc. (the “Company” or “we”) for use at our 2020 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the “Annual Meeting”). The Annual Meeting will be held on July 31, 2020, at 11:00 a.m., Central Daylight Time, and may be accessed on a live webcast via the internet at www.virtualshareholdermeeting.com/CRUS2020.

Beginning on June 19, 2020, Cirrus Logic will make these proxy materials available to our stockholders on the internet or through the mail in connection with the solicitation of proxies by the Board for proposals to be voted on at the Annual Meeting.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS, THE ANNUAL MEETING, AND VOTING PROCEDURES

Q: Why am I receiving these materials?

A: The Board, on behalf of the Company, is soliciting your proxy for the Annual Meeting of Stockholders to take place on July 31, 2020. As a stockholder of record as of the close of business on June 1, 2020 (the “Record Date”), you are invited to participate in the meeting and are entitled to and requested to vote on the proposals described in this proxy statement.

Q: Who is entitled to notice of and to vote at the Annual Meeting?

A: Stockholders of record as of the Record Date are entitled to notice of and to vote at the Annual Meeting.

Q: What information is contained in these materials?

A: The information included in this proxy statement relates to the proposals to be voted on at the meeting, the voting process, the compensation of directors and our most highly paid executive officers, and certain other required information. Our 2020 Annual Report to Stockholders on Form 10-K for the fiscal year ended March 28, 2020, is also being made electronically available or mailed to each stockholder as of the Record Date.

If you requested and received a copy of these materials by mail or email, then the proxy materials also include a proxy card or a voting instruction card for the Annual Meeting.

Q: Why did I receive a notice in the mail regarding the internet availability of the proxy materials instead of a paper copy of the proxy materials?

A: We are complying with the U.S. Securities and Exchange Commission (the “SEC”) rule that allows companies to furnish their proxy materials over the internet. As a result, we are mailing to our stockholders a Notice of Internet Availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the Notice of Internet Availability will have the ability to access the proxy materials over the internet, or alternatively, request to receive a copy of the proxy materials by mail or email.

Q. How can I access the proxy materials over the internet?

A: Your Notice of Internet Availability of the proxy materials contains instructions regarding how to:

- view the proxy materials for the Annual Meeting on the internet;
- request a paper copy of the proxy materials for the Annual Meeting; and
- instruct us to send future proxy materials to you by email.

Q: How may I obtain a paper copy of the proxy materials?

A: Your Notice of Internet Availability of the proxy materials contains instructions regarding how to obtain a paper copy of the proxy materials.

Q: What if I receive more than one Notice of Internet Availability of the proxy materials or more than one paper copy of the proxy materials?

A: If you receive more than one Notice of Internet Availability or set of proxy materials, it means your shares are registered differently or are in more than one account. To vote all your shares by proxy, you must vote using all Notices of Internet Availability you receive, or all proxy cards and voting instruction cards you received.

Q: What proposals will be voted on at the meeting?

A: There are four proposals scheduled to be voted on at the meeting:

(1) the election of eight nominees named in this proxy statement to serve as Company directors for one-year terms;
(2) the ratification of the appointment of Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm for the fiscal year ending March 27, 2021;
(3) an advisory (non-binding) vote to approve executive compensation; and
(4) the approval of the first amendment to the 2018 Long Term Incentive Plan.

Q: Will I be able to attend the Annual Meeting?

A: We will host the Annual Meeting live via the internet. **You will not be able to attend the meeting in person**. Any stockholder can listen to and participate in the Annual Meeting live via the internet at www.virtualshareholdermeeting.com/CRUS2020. The webcast will begin at 11:00 a.m., Central Daylight Time, on July 31, 2020. Stockholders as of the Record Date may vote and submit questions while connected to the Annual Meeting via the internet.

Q: What do I need to do to be able to participate in the Annual Meeting online?

A: The Annual Meeting will be held live via the internet. You will not be able to attend the meeting in person. A summary of the information you need to attend the meeting online is provided below:

- Any stockholder can listen to the meeting and participate live via the internet at www.virtualshareholdermeeting.com/CRUS2020.
- Webcast begins at 11:00 a.m. Central Daylight Time on July 31, 2020.
- Stockholders as of the Record Date may vote and submit questions while connected to the meeting via the internet.
- Please have your control number to enter the meeting.
- Instructions on how to connect and participate via the internet, including how to demonstrate proof of stock ownership, are posted at www.virtualshareholdermeeting.com/CRUS2020.
- A webcast replay of the meeting will be available after the meeting at www.virtualshareholdermeeting.com/CRUS2020.

Q: What are the Board's voting recommendations?

A: The Board recommends that you vote your shares as follows:

- "FOR" each of the director nominees;
- "FOR" the ratification of the appointment of Ernst & Young as our independent registered public accounting firm for the fiscal year ending March 27, 2021;

- "FOR" the approval, on a non-binding, advisory basis, of executive compensation; and
- "FOR" the approval of the first amendment to the 2018 Long Term Incentive Plan.

Q: What shares owned by me can be voted?

A: All shares owned by you as of the close of business on the Record Date may be voted by you. These shares include (1) shares held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner through a stockbroker, bank, or other nominee; however you will need to demonstrate proof of ownership pursuant to the instructions provided at www.virtualshareholdermeeting.com/CRUS2020. Stockholders who hold their shares through a stock brokerage account or by a bank or other nominee will need to obtain a legal proxy from their nominee in advance of the meeting in order to vote during the meeting.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most stockholders of the Company hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with the Company's transfer agent, Computershare Investor Services, you are considered, with respect to those shares, the *stockholder of record,* and, if you held those shares as of the Record Date, you have the right to vote by proxy by following the instructions in the Notice of Internet Availability of the proxy materials or to vote online at the meeting.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the *beneficial owner* of shares held in *street name*, and your stockbroker, bank, or other nominee is considered, with respect to those shares, the *stockholder of record*. As the beneficial owner, you have the right to direct your stockbroker, bank, or other nominee how to vote, and you are also invited to participate in the meeting.

Q: How can I vote my shares at the meeting?

A: Shares may be voted at the Annual Meeting via the internet on a live webcast at www.virtualshareholdermeeting.com/CRUS2020. To access the meeting and vote your shares, you must have your control number.

Even if you currently plan to participate in the Annual Meeting via the live webcast, we recommend that you submit your proxy in advance of the meeting so that your vote will be counted if you later decide not to attend the meeting.

Q: How can I vote my shares without participating in the meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct your vote without participating in the meeting. You may vote by granting a proxy or by submitting voting instructions to your stockbroker, bank, or other nominee for shares held in street name. In most instances, you will be able to do this over the internet, by telephone, or by mail, but if you hold shares in street name, you should refer to the voting instructions provided to you by your stockbroker, bank, or other nominee for voting instructions specific to your holdings. If you are the stockholder of record, please refer to the summary instructions below and those included on your Notice of Internet Availability of the proxy materials. Specifically, you may vote without participating in the meeting:

BY INTERNET – If you have internet access, you may vote by going to www.proxyvote.com and following the instructions included with the proxy materials. You will need to have the control number on your Notice of Internet Availability on your proxy card in order to vote by internet.

BY TELEPHONE – If you have access to a touch-tone telephone, you may vote by calling 1-800-690-6903 and following the instructions within the proxy materials. You will need to have the control number that appears on your Notice of Internet Availability of the proxy materials available when voting by telephone.

BY MAIL – If you have requested and received a paper copy of a proxy card, you may submit a proxy by signing your proxy card and returning it by mail using the enclosed, postage prepaid and addressed envelope. If you sign but do not provide instructions, your shares will be voted as described in the response to *"What are the Board's voting recommendations?"* above.

Q: What if I hold shares in street name and do not transmit voting instructions before the stockholder meeting to my stockbroker, bank, or other nominee?

A: If you do not transmit voting instructions, your stockbroker is permitted to vote on your behalf on routine matters only. The ratification of the appointment of independent registered public accounting firm (Proposal No. 2) is the only routine matter, and therefore, the only matter that brokers may vote on without instruction from the beneficial owner. Your stockbroker is not permitted to vote on your behalf on non-routine matters if you do not transmit your voting instructions. The election of directors (Proposal No. 1), the advisory vote to approve executive compensation (Proposal No. 3), and the vote to approve the first amendment to the 2018 Long Term Incentive Plan (Proposal No. 4) are considered non-routine matters. Therefore, if you do not transmit your voting instructions to your stockbroker or other nominee, then they cannot vote on these non-routine matters and your vote will be counted as "broker non-votes" as further described in the response to *"How are abstentions and broker non-votes counted?"* below.

Q: Can I revoke my proxy?

A: You may revoke your proxy instructions at any time prior to the vote at the Annual Meeting. For shares held directly in your name, you may revoke your proxy instructions by granting a new proxy bearing a later date (that automatically revokes the earlier proxy) or by voting during the Annual Meeting. For shares held beneficially by you, you may revoke your proxy by submitting new instructions to your stockbroker, bank, or other nominee.

Q: What is the quorum requirement for the meeting?

A: The quorum requirement for holding the meeting and transacting business is the presence, either in person or represented by proxy, of the holders of a majority of the outstanding shares entitled to be voted at the Annual Meeting. For the Annual Meeting, both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

Q: How are votes counted?

A: In the election of directors, you may vote "FOR" all of the nominees or you may "WITHHOLD" your vote with respect to one or more of the nominees. For all other proposals you may vote "FOR," "AGAINST," or "ABSTAIN," and if you "ABSTAIN" on any of these matters, it has the same effect as a vote "AGAINST," as described in response to the question below.

If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendations of the Board.

Q: What is the voting requirement to approve each of the proposals?

A: Directors are elected by a plurality of votes cast, which means that, for this year, the eight persons receiving the highest number of "FOR" votes will be elected. All other proposals require the affirmative "FOR" vote of a majority of those shares present and entitled to vote. If you are a beneficial owner and do not provide your stockbroker, bank, or other nominee with voting instructions on a non-routine matter such as a director election, your shares may constitute broker non-votes, as described in *"How are abstentions and broker non-votes counted?"* below.

Q: How are abstentions and broker non-votes counted?

A: Abstentions and broker non-votes are counted as present for purposes of determining the shares present and entitled to vote for purposes of the quorum requirement. For proposals 2, 3 and 4 an abstention is treated as a vote cast for purposes of counting votes, and therefore the effect of an abstention will be the same as a vote against a proposal as described in *"How are votes counted?"* above. Broker non-votes are not counted as votes cast, and therefore have no impact on non-routine matters. Generally, broker non-votes occur when shares held by a stockbroker for a beneficial owner are not voted with respect to a particular proposal because the proposal is a non-routine matter, the stockbroker has not received voting instructions from the beneficial owner, and the stockbroker lacks discretionary voting power to vote the shares.

Q: Where can I find the voting results of the meeting?

A: We will announce preliminary voting results at the meeting and will file with the SEC via EDGAR a Current Report on Form 8-K within four business days of the meeting with the final voting results. If final voting results are not available at the time of such filing, the Company intends to disclose preliminary voting results at the time of the filing and file an amended Current Report on Form 8-K within four business days after obtaining the final results.

Q: What happens if additional proposals are presented at the meeting?

A: Other than the proposals described in this proxy statement, we do not expect any matters to be presented for a vote at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Gregory Scott Thomas, our Corporate Secretary, and Thurman Case, our Chief Financial Officer, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your shares for such other candidate or candidates as may be nominated by the Board or the Board may reduce the size of the Board.

Q: What classes of shares are entitled to be voted?

A: Each share of common stock of the Company ("common stock") outstanding as of the Record Date is entitled to one vote on each item being voted upon at the Annual Meeting. On the Record Date, we had approximately 58,375,950 shares of common stock outstanding.

Q: Is cumulative voting permitted for the election of directors?

A: No.

Q: Who will count the votes?

A: A representative of Broadridge Investor Communications Solutions will tabulate the votes. A representative of the Company will act as the inspector of election.

Q: Is my vote confidential?

A: Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, or (3) to facilitate a successful proxy solicitation by the Board.

Q: Who will bear the cost of soliciting votes for the meeting?

A: The Company will pay the entire cost of soliciting proxies to be voted, along with the costs of preparing, assembling, printing, mailing, and distributing the proxy materials. If you choose to access the proxy materials and/or submit your proxy over the internet or by telephone, however, you are responsible for internet access or telephone charges you may incur. In addition to the mailing of the proxy materials, the solicitation of proxies or votes may be made by our directors, officers, and employees, either in person, by telephone, or by electronic communication. Our directors, officers, and employees will not receive any additional compensation for the solicitation activities. We will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders.

Q: May I propose actions for consideration at next year's annual meeting of stockholders or nominate individuals to serve as directors?

A: You may make nominations and submit proposals for consideration at future stockholder meetings. Any proposal that a stockholder wishes to include in the Company's proxy materials for the 2021 annual meeting of stockholders, in accordance with the regulations of the SEC, must be received by no later than 120 calendar days prior to the anniversary date that the Company released this proxy statement for the Annual Meeting (February 19, 2021). The written proposal will need to comply with the regulations of the SEC under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Any proposal or nomination for election of directors that a stockholder wishes to propose for consideration at the 2021 annual meeting of stockholders, other than pursuant to Rule 14a-8, must be submitted in accordance with our Bylaws. To be considered timely, our Bylaws provide that such notice must be received at our principal executive offices no earlier than 120 calendar days (April 2, 2021) and no later than 90 calendar days (May 2, 2021) prior to the first anniversary date of the previous year's annual meeting of stockholders. Proposals and nominations should be addressed to: Corporate Secretary, Cirrus Logic, Inc., 800 W. 6th Street, Austin, Texas 78701.

Copy of Bylaw Provisions: You may contact the Corporate Secretary at our headquarters, 800 W. 6th Street, Austin, Texas 78701, for a copy of the relevant Bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

CORPORATE GOVERNANCE

Board Meetings and Committees

During the fiscal year ended March 28, 2020, the Board held 12 meetings. Each director is expected to attend each meeting of the Board and the committees of the Board (the "Committees") on which he or she serves. During the period in which he or she served, no director attended less than 75% of the aggregate of (i) the total number of Board meetings and (ii) the total number of his or her Committee meetings. Pursuant to our Corporate Governance Guidelines, directors are also expected to attend the

Company's Annual Meeting of Stockholders absent extraordinary circumstances. All directors serving at the time attended the Company's 2019 annual meeting of stockholders; Ms. Lego was appointed to the Board subsequent to the 2019 annual meeting.

We have three Committees: Audit, Compensation, and Governance and Nominating. Each member of the Audit, Compensation, and Governance and Nominating Committees is independent in accordance with the applicable SEC rules and applicable Nasdaq Stock Market, Inc. (the "Nasdaq") listing standards, including, with respect to members of the Audit and Compensation Committees, the heightened requirements applicable to members of those committees. Each Committee has a written charter that has been approved by the Board; the Committee charters are available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

The composition of the Board and each Committee is identified in the following table, and the function of each Committee is described below. Ms. Lego was appointed as a Board member on April 23, 2020, and she has yet to be appointed to a Board committee. On occasion, the Board may appoint special committees or designate directors to undertake special assignments on behalf of the Board.

Current Directors	Independent	Audit	Compensation	Governance and Nominating
John C. Carter	Yes	X	X	
Alexander M. Davern	Yes	Chair		
Timothy R. Dehne	Yes	X	Chair	
Deirdre R. Hanford	Yes			X
Catherine P. Lego	Yes			
Jason P. Rhode	No			
Alan R. Schuele, Chair	Yes			X
David J. Tupman	Yes		X	Chair
Number of Meetings Held in Fiscal Year 2020		7	8	4

Audit Committee

The Audit Committee is currently composed of three independent directors. The responsibilities of the Audit Committee include:

- selecting, retaining, compensating, overseeing, evaluating, and, where appropriate, terminating the Company's independent auditors;
- resolving any disagreements between management and the independent auditors regarding financial reporting;
- adopting and implementing pre-approval policies and procedures for audit and non-audit services to be rendered by the independent auditors;
- reviewing with management and the independent auditors the financial information and the Management's Discussion and Analysis proposed to be included in each of the Company's Quarterly Reports on Form 10-Q prior to their filing;
- reviewing before release the unaudited interim financial results in the Company's quarterly earnings release;
- reviewing with management and the independent auditors, at the completion of the annual audit, the audited financial statements and the Management's Discussion and Analysis proposed to be included in the Company's Annual Report on Form 10-K prior to its filing and provide or review

judgments about the quality, not only the acceptability, of accounting principles, and such other matters required to be discussed with the independent auditors under generally accepted auditing standards;

- reviewing and approving, if appropriate, material changes to the Company's auditing and accounting principles and practices as suggested by the independent auditors or management;
- establishing procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- evaluating the professional competency of the financial staff and the internal auditors, as well as the quality of their performance in discharging their respective responsibilities;
- discussing policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process; and
- reviewing with management the Company's major financial and regulatory risk exposures, including cybersecurity-related risks, and the steps management has taken to monitor and control such exposures.

The Board has determined that each of the members of the Audit Committee is able to read and understand fundamental financial statements and is independent under applicable SEC rules and applicable Nasdaq listing standards. The Board has also determined that each member is an "audit committee financial expert" as defined under applicable SEC rules.

For additional information relating to the Audit Committee, see the section of this proxy statement entitled, "*Report of the Audit Committee of the Board*" and the Audit Committee Charter, which is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

Compensation Committee

The Compensation Committee is currently composed of three independent directors. The Compensation Committee reviews and approves salaries and other matters relating to executive compensation; reviews the Company's leadership development initiatives and succession planning process for our Chief Executive Officer and other executive officers; and administers the Company's stock incentive plans, including reviewing and granting stock incentive awards to executive officers and other employees and reviewing and approving policies and procedures for awarding grants under these plans. The Compensation Committee also reviews and recommends to the Board for approval various other Company compensation plans, policies and matters related to the Company's non-employee directors. For additional information relating to the Compensation Committee, see the Compensation Committee Charter, which is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

Please see the "*Compensation Discussion and Analysis*" section of this proxy statement for additional information regarding the Compensation Committee's processes and procedures for the consideration and determination of executive officer compensation, including the Compensation Committee's engagement of Compensia, Inc. ("Compensia") as its external compensation consultant.

Governance and Nominating Committee

The Governance and Nominating Committee is currently composed of three independent directors. The Governance and Nominating Committee provides counsel to the Board with respect to corporate governance matters and Board organization, membership, and function, as well as committee structure

and membership. The Governance and Nominating Committee is responsible for defining the qualifications for candidates for director positions, evaluating qualified candidates, recommending candidates to the Board for election as directors, and proposing a slate of directors for election by stockholders at each annual meeting. Additionally, this committee oversees and monitors the Company's development and disclosure of policies and programs relating to corporate responsibility and sustainability, including environmental and social matters. For more information relating to the Governance and Nominating Committee, see the Governance and Nominating Committee Charter, which is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

The Governance and Nominating Committee annually reviews the needs of the Board for various skills, experience, expected contributions, and other characteristics in determining the director candidates to be nominated at the Annual Meeting of Stockholders. The Governance and Nominating Committee will evaluate candidates for directors proposed by directors, stockholders, or management in light of the Governance and Nominating Committee's views of the current needs of the Board for certain skills; the candidate's background, skills, experience, expected contributions, or other characteristics; and the qualification standards established from time to time by the Governance and Nominating Committee. If the Governance and Nominating Committee believes that the Board requires additional candidates for nomination, the Governance and Nominating Committee may engage a third-party search firm to assist in identifying qualified candidates. All directors and nominees will submit a completed form of directors' and officers' questionnaire as part of the nominating process. The process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Governance and Nominating Committee. Although the Board does not have a formal policy specifying how diversity should be considered in making determinations regarding nominations of directors, the Governance and Nominating Committee believes it is important to consider diversity of gender, race, ethnicity, age, education, cultural background, and professional experiences and seeks to include candidates with such diversity in the pool from which nominees are identified. The Board's objective is to nominate a diverse group of directors who can best ensure the continuing success of our business and represent stockholder interests through the exercise of sound judgment and constructive working relationships.

The Governance and Nominating Committee believes that members of the Board should possess certain basic personal and professional qualities in order to properly discharge their fiduciary duties to stockholders, provide effective oversight of the management of the Company, and monitor the Company's adherence to principles of sound corporate governance. Therefore, the Governance and Nominating Committee has determined that nominees for election as director should have the following qualifications: (i) possess the highest personal and professional ethics, integrity, and values; (ii) be committed to representing the long-term interests of the Company's stockholders; (iii) have an inquisitive and objective perspective and mature judgment; (iv) possess strong business and financial acumen and judgment acquired through education, training, or experience; (v) possess experience at policy-making levels in business, government, education, or technology, and in areas that are relevant to the Company's global business activities; (vi) have experience in matters of corporate governance; (vii) have experience in positions with a high degree of responsibility in the companies or institutions with which they are affiliated; and (viii) be prepared to devote appropriate time and attention to the Board and Committee duties required of a public company board member. Additionally, for non-employee director candidates, the nominees should have personal and business circumstances that permit them to serve on one or more of the various Committees.

These are not meant to be the exclusive criteria, however, and the Governance and Nominating Committee will also consider the contributions that a candidate can be expected to make to the

collective functioning of the Board based upon the totality of the candidate's credentials, experience, and expertise; the composition of the Board at the time; and other relevant circumstances.

In July 2019, the Nominating and Corporate Governance Committee engaged SpencerStuart, a third-party executive search firm, to assist in its search for experienced individuals to possibly join our Board. In December 2019, the Committee further supplemented its search for qualified candidates by engaging Athena Alliance, an organization dedicated to developing and advancing women leadership, from senior management to the boardroom. As part of the search efforts, the Athena Alliance identified Catherine Lego, who joined the Board in April 2020.

Stockholder Nominations

Stockholders are able to recommend individuals to the Governance and Nominating Committee for consideration as potential director nominees by submitting their names, together with appropriate biographical information and background materials, and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of common stock for at least one year as of the date such recommendation is made. An eligible stockholder wishing to recommend a candidate must submit the following no later than 120 calendar days prior to the anniversary date that the Company released this proxy statement for the Annual Meeting: (A) a recommendation that identifies the candidate and provides contact information; (B) the written consent of the candidate to serve as a director of the Company, if elected; and (C) documentation establishing that the stockholder making the recommendation is an eligible stockholder.

Recommendations should be submitted to:

Governance and Nominating Committee
c/o Corporate Secretary
Cirrus Logic, Inc.
800 W. 6th Street
Austin, Texas 78701

The Governance and Nominating Committee will consider stockholder-recommended candidates pursuant to the Director Nominations Process outlined in the Corporate Governance Guidelines, which are available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

Stockholders also have the right under the Company's Bylaws to nominate candidates for election as directors by following the procedures, providing the information, and conforming to the submission deadlines specified in the Company's Bylaws. Please see the section of this proxy statement entitled, *"Questions and Answers about the Proxy Materials, the Annual Meeting and Voting Procedures: May I propose actions for consideration at next year's annual meeting of stockholders or nominate individuals to serve as directors?"* for further information.

Determination of Independence

The Board, which currently consists of eight directors, has determined that seven of the eight nominated directors are independent as defined by the applicable listing and regulatory standards. Specifically, the Governance and Nominating Committee has reviewed the independence of each director and determined that nominees Carter, Davern, Dehne, Hanford, Lego, Schuele, and Tupman qualify as independent directors under these standards.

In determining the independence of Mr. Davern—who served as Chief Executive Officer of National Instruments Corporation until he stepped down from that position on January 31, 2020 and continues

as a member of National Instrument's Board of Directors – the Governance and Nominating Committee and the Board reviewed the Company's transactions with National Instruments and determined that the transactions do not interfere with Mr. Davern's exercise of independent judgment in carrying out the responsibilities of a director. These transactions included the purchase of certain test equipment and software, along with associated support and maintenance services, for equipment used in the development and testing of our products.

In determining the independence of Ms. Hanford – who is Chief Security Officer and Member of Corporate Staff of Synopsys, Inc. – the Governance and Nominating Committee and the Board reviewed the Company's transactions with Synopsys and determined that the transactions do not interfere with Ms. Hanford's exercise of independent judgment in carrying out the responsibilities of a director. These transactions included software tool licenses, software maintenance, training, and related consulting.

Corporate Governance Guidelines

On an annual basis, the Company reviews its corporate governance practices in light of any changes to applicable law, the rules of the SEC, and the Nasdaq listing standards. Among other matters, the Corporate Governance Guidelines include the following requirements:

- Two-thirds of the members of the Board must be independent directors as defined in the Corporate Governance Guidelines.
- If the Chair of the Board is not an independent director, the Board will designate a "lead independent director."
- Directors shall retire at the first stockholders' meeting in which directors will be elected following the director's 75th birthday.
- Stock Ownership Guidelines require our Chief Executive Officer, non-employee directors, and officers of the Company to accumulate and maintain, after a phase-in period, an ownership position in the Company's stock to more closely link their interests with those of other Company stockholders.
- The Board will have an Audit Committee, Compensation Committee, and Governance and Nominating Committee, each of which shall consist solely of independent directors.
- The independent directors shall meet in executive session either before or after each regularly scheduled Board meeting.
- In considering stockholder proposals and candidates recommended by stockholders for the Board, the Governance and Nominating Committee will follow the procedures outlined in the Corporate Governance Guidelines.

For additional details, see the Corporate Governance Guidelines, which are available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

Board Leadership Structure

The Board is committed to maintaining an independent Board comprised primarily of independent directors. To enhance the independence of the Board from management, we separate the roles of our Chief Executive Officer ("CEO"), Jason P. Rhode, and Chair of the Board, Alan R. Schuele. We believe that this leadership structure demonstrates our commitment to good corporate governance and benefits our stockholders by enhancing the oversight of management by the Board, balancing power on the Board, and encouraging balanced decision making.

The Board's Role in Risk Oversight

Although management is responsible for identifying, assessing, and managing the material risks facing the Company, the Board plays an ongoing and active role in the oversight of the Company's risk management processes, along with the oversight of the most significant strategic and operational risks faced by the Company and management's efforts to mitigate those risks. The Board is involved in the setting of the Company's business strategy, which necessarily entails a determination of what constitutes an appropriate level of risk for the Company.

Each of the Committees also considers risk within the Committee's area of responsibility. Our Audit Committee discusses risk assessment and risk management policies and regularly reviews with management the Company's major financial and regulatory risk exposures, including cybersecurity-related risks, and the steps management has taken to monitor and control such exposures. Also, in designing our compensation programs and structuring awards, the Compensation Committee considers whether such compensation programs may lead to undue risk taking. Finally, our Governance and Nominating Committee oversees risks relating to corporate governance policies and related governance matters.

Corporate Social Responsibility

Our Company is committed to creating a responsible and sustainable business environment that drives value for our key stakeholders including employees, investors, customers, suppliers, and our global communities. Pursuant to its charter, our Governance and Nominating Committee is charged with oversight of the Company's development and disclosure of policies and programs relating to corporate responsibility and sustainability, including environmental and social matters.

The Company is taking measures to ensure our products are produced in a sustainable and responsible manner. As an Affiliate Member, we are committed to adopting the approach of the Responsible Business Alliance ("RBA"), a non-profit organization that sets the standards for supply chain compliance issues related to labor, health and safety, the environment, ethics, and management systems. We have adopted a Supplier Code of Conduct (the "Supplier Code") and aligned our operations to comply with the Supplier Code. To support our efforts, we work closely with our third-party suppliers to encourage their compliance with our Supplier Code.

As part of our corporate social responsibility efforts, we work to attract and retain top talent in our diverse, global workforce through programs based on competitive compensation, benefits, and a first-rate corporate culture based on respect and fairness for all employees. We adhere to core principles of human rights by complying with international standards and by establishing a safe, healthy working environment based on respect and fairness for all employees, regardless of gender, nationality, or ethnicity. We are committed to promoting equality in the workforce and developing the STEM pipeline of all students through volunteer activities and financial resources.

For more information about our corporate responsibility efforts, please refer to the Corporate Social Responsibility section of our website at https://www.cirrus.com/company/csr/.

Code of Conduct

The Company has adopted a Code of Conduct that applies to all of its directors, officers, and employees (including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions). A copy of the Code of Conduct is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*. The Code of Conduct, as applied to the Company's senior financial officers, constitutes the Company's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and constitutes the Company's "code of conduct" under the Nasdaq listing standards.

DIRECTOR COMPENSATION ARRANGEMENTS

Non-employee directors receive a combination of cash and equity-based compensation. Directors who are employed by the Company do not receive any additional compensation for their Board service. Non-employee directors may not receive consulting, advisory, or other compensatory fees from the Company in addition to their Board compensation.

The following table sets forth the quarterly cash payments paid to non-employee directors for Board service during the fiscal year ended March 28, 2020:

Director Compensation Retainers	
Quarterly Director Retainer	$15,000
Board Chair Quarterly Retainer	$18,750
Audit Chair Quarterly Retainer	$ 6,250
Audit Committee Member Quarterly Retainer	$ 2,500
Compensation Committee Chair Quarterly Retainer	$ 6,250
Compensation Committee Member Quarterly Retainer	$ 1,875
Governance and Nominating Committee Chair Quarterly Retainer	$ 2,500
Governance and Nominating Committee Member Quarterly Retainer	$ 1,250
Lead Independent Director Quarterly Retainer	$ 2,500

Directors receive cash payments for each retainer category applying to him or her. The Company also reimburses non-employee directors for all reasonable out-of-pocket expenses incurred for attending Board and Committee meetings.

In addition to the cash compensation described above, each non-employee director receives equity-based compensation. Upon re-election to the Board, each non-employee director receives a full value stock award that vests immediately. In fiscal year 2020, the total number of shares subject to this award granted to each non-employee director had a fair market value up to $190,000 as estimated on the date of grant. For any director who is re-elected after having been appointed to the Board since the previous year's annual meeting, his or her grant upon re- election is prorated to reflect the actual duration of service as a director since his or her appointment.

For newly appointed or elected non-employee directors, the Company awards an option to purchase shares of common stock of the Company at an exercise price equal to the fair market value of the stock on the date of grant upon becoming a director, with 25% vesting after one year and the remainder vesting ratably each month over the following 36 months. The total number of stock options granted to newly appointed or elected non-employee directors has a fair market value of $225,000 as estimated on the date of grant.

Our 2018 Long Term Incentive Plan, adopted by the Board and approved by stockholders in August 2018, provides that, in a calendar year, the aggregate value of all compensation paid to or granted to any non-employee member of the Board, including equity awards (valued on the grant date pursuant to FASB ASC Topic 718) and cash compensation, shall not exceed $750,000.

The following table sets forth information regarding the cash and equity-based compensation paid to our non-employee directors for services as members of the Board or any Committee during fiscal year 2020.

Note that throughout this proxy statement, amounts may not compute exactly across individual lines of a table, and such differences are due to rounding to the nearest dollar.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2020

Name (a)	Fees Earned or Paid in Cash[1] ($) (b)	Stock Awards[2] ($) (c)	Option Awards ($) (d)	Total ($) (h)
John C. Carter[3]	$ 77,500	$189,992	$—	$267,492
Alexander M. Davern[4]	$ 96,703	$189,992	$—	$286,695
Timothy R. Dehne[5]	$102,500	$189,992	$—	$292,492
Deirdre R. Hanford[6]	$ 63,297	$121,054	$—	$184,351
Alan R. Schuele[7]	$140,000	$189,992	$—	$329,992
David J. Tupman[8]	$ 82,500	$189,992	$—	$272,492

(1) Represents fees earned or paid in cash for services as a director during the fiscal year ended March 28, 2020, including quarterly retainer fees and Committee chair and membership retainer fees.

(2) On August 2, 2019, upon their re-election as directors at the Company's 2019 annual meeting of stockholders, directors Carter, Davern, Dehne, Schuele, and Tupman received a full value stock award that vested immediately upon re-election to the Board having a fair market value of up to $190,000 on the date of grant. Director Hanford received a prorated stock award to reflect her appointment in December 2018; this award vested immediately upon her re-election to the Board. Amounts reported in this column represent the aggregate grant date fair value of the stock awards granted in fiscal year 2020, computed in accordance with FASB ASC Topic 718. See Note 10, Equity Compensation, in our Annual Report on Form 10-K for the fiscal year ended March 28, 2020 for additional detail regarding the assumptions underlying the value of these awards.

(3) At the end of fiscal year 2020, Mr. Carter had no options outstanding.

(4) At the end of fiscal year 2020, Mr. Davern had no options outstanding.

(5) At the end of fiscal year 2020, Mr. Dehne had no options outstanding.

(6) At the end of fiscal year 2020, Ms. Hanford had 15,515 options outstanding.

(7) At the end of fiscal year 2020, Mr. Schuele had 10,000 options outstanding.

(8) At the end of fiscal year 2020, Mr. Tupman had 25,346 options outstanding.

PROPOSALS TO BE VOTED ON

Proposal No. 1:

Election of Directors

The Board approved eight nominees for election to the Board this year. Information regarding the business experience of each nominee and the particular experience, qualifications, attributes, or skills that qualify that person to serve as a director of the Company is provided below. All directors are elected annually to serve until the next annual meeting and until their respective successors are elected, or until their earlier resignation or removal. There are no family relationships among the Company's executive officers and directors.

Vote Required

In the election of directors, the eight persons receiving the highest number of "FOR" votes will be elected.

Director Resignation Policy

Any nominee for director who receives a greater number of "WITHHOLD" votes than "FOR" votes in an uncontested election of directors shall tender to the Board his or her resignation as a director promptly following the certification of the election results. For purposes of this policy, (i) an "uncontested" election is one in which the Secretary determines that the number of nominees does not exceed the number of directors to be elected as of the date seven days prior to the scheduled mailing date of the proxy statement for such meeting, and (ii) abstentions and broker non-votes will not be considered as either "WITHHOLD" votes or "FOR" votes. The Governance and Nominating Committee will consider any resignation tendered under this policy and recommend to the Board whether to accept or reject it and the Board will act on such resignation, taking into account the Governance and Nominating Committee's recommendation, within 90 days following the certification of the election results. The Governance and Nominating Committee in making its recommendation, and the Board in making its decision, may consider any information it deems appropriate including without limitation any reasons given by stockholders for their "WITHHOLD" votes, the qualifications of the Director, and his or her contributions to the Board and the Company. The Board will promptly disclose publicly its decision to accept or reject such a resignation and, if rejected, the reasons for doing so.

Information about Nominees

JOHN C. CARTER

Director since 2009

Mr. Carter, age 65, is currently a Principal at TCGen, which is a management consulting and advisory services firm that Mr. Carter founded in 2002 and is located in Menlo Park, California. Between November 2007 and January 2008, Mr. Carter was an Executive in Residence at Vantage Point Venture Partners, a venture capital firm in San Bruno, California, where he assisted in the management of several portfolio companies. Mr. Carter also served as Chief Technical Officer at Klipsch Group, a manufacturer of speakers in Indianapolis, Indiana, between February 2005 and October 2007. Mr. Carter began his career as an engineer at Bose Corporation in 1978, later becoming its Chief Engineer. Mr. Carter holds a B.S. in Engineering from Harvey Mudd College in Claremont, California, and a Master's in Electrical Engineering from Massachusetts Institute of Technology.

The Governance and Nominating Committee believes that Mr. Carter's extensive management experience with companies in the consumer audio market and his knowledge of that market, in addition to his background in venture and private equity investment transactions, make him well qualified to be

on the Board. Mr. Carter also has relevant prior engineering and technical experiences in the markets we serve.

ALEXANDER M. DAVERN
Director since 2015
Mr. Davern, age 53, stepped down from his position as Chief Executive Officer of National Instruments Corporation ("NI"), on January 31, 2020 and continues as a member of the Board of Directors of NI. NI is an Austin-based public company that supplies measurement and automation products used by engineers and scientists in a wide range of industries. Starting in the Summer of 2020, he will take up a teaching position at the University of Texas McCombs School of Business. Mr. Davern joined NI in February of 1994 and during his career at NI he served in numerous leadership positions, including as Chief Financial Officer and Chief Operating Officer beforing taking on the role of Chief Executive Officer. Prior to joining NI, Mr. Davern worked both in Europe and in the United States for the international accounting firm of Price Waterhouse, LLP. Mr. Davern received his bachelor's degree in Commerce and a diploma in professional accounting from University College in Dublin, Ireland.

The Governance and Nominating Committee believes that Mr. Davern is well qualified to be on the Board based on his extensive leadership experience in all aspects of managing a high technology company in Austin, Texas. In addition, Mr. Davern has extensive international finance experience within the technology industry. The Governance and Nominating Committee further believes that his experiences, along with his financial expertise, his familiarity with acquisitions and integrations, and his international tax experience make him well qualified to provide valuable insights to the Board and to serve a role in the oversight of our financial reporting and accounting practices as Chair of the Audit Committee.

TIMOTHY R. DEHNE
Director since 2009
Mr. Dehne, age 54, is currently a consultant for technology-based companies. Most recently, he was the Chief Operating Officer of Xplore Technologies, a public company that was acquired by Zebra Technologies in August of 2018. Prior to that role, he served as Vice President of Engineering for Briggo, Inc., a privately held corporation in Austin, Texas from November 2013 until January 2018. Prior to this position, he served as the Vice President, Global Marketing, at Luminex Corporation between May 2012 and August 2013, an Austin-based company that develops, manufactures, and markets innovative biological testing technologies with applications throughout the life science and diagnostic industries. Prior to his appointment to Vice President, Global Marketing, Mr. Dehne held the position of Vice President of Systems Research and Development, a position he held between July 2009 and May 2012. He previously worked at National Instruments Corporation, an Austin-based supplier of measurement and automation products used by engineers and scientists in a wide range of industries. Mr. Dehne spent over 21 years at National Instruments Corporation where he held many leadership positions while helping to significantly grow the Company to more than 4,000 employees and over $800 million in annual revenue. At National Instruments Corporation, he held the position of Senior Vice President, Research & Development. Prior to his role as Senior Vice President, Research & Development at National Instruments Corporation, Mr. Dehne served in various executive positions in marketing and engineering. Mr. Dehne holds a B.S. in Electrical Engineering from Rice University and serves on the Board of Directors for Asset Intertech, a privately held company, where he also is Chair of its Compensation Committee.

The Governance and Nominating Committee believes that Mr. Dehne is well qualified to be on the Board based on his extensive leadership experience in all aspects of managing a high technology

company in Austin, Texas, and his unique insight into significantly growing revenues at a high technology company while maintaining an innovative corporate culture and a great work environment. His leadership skills, experience in creating and capturing business opportunities, and experience in scaling up a business to enable growth are valuable to the Company and the Board.

DEIRDRE R. HANFORD

Director since 2018

Ms. Hanford, age 57, is currently Chief Security Officer and Member of Corporate Staff of Synopsys, Inc., a leading company in the fields of electronic design automation, semiconductor intellectual property, and software security. In this role, Ms. Hanford leads efforts to enable secure hardware, software, and semiconductor design. Previously, from December 2016 through May 2019, Ms. Hanford held the title of Co-General Manager, Design Group for Synopsys where she co-led the development and deployment of Synopsys's analog/mixed-signal product lines, digital implementation product lines and professional design services organization. Previously, from 2003-2016, Ms. Hanford was the Executive Vice President of Customer Engagement for Synopsys where she led global technical services. Ms. Hanford earned a B.S. in Engineering with a concentration in Electrical Engineering from Brown University and an M.S. in Electrical Engineering from the University of California, Berkeley. Ms. Hanford currently chairs Brown University's Engineering Advisory Committee and serves on the Engineering Advisory Board for University of California Berkeley's College of Engineering. In December 2017 she was named to VLSI Research's 2017 All Stars of the Semiconductor Industry.

The Governance and Nominating Committee believes that Ms. Hanford is well qualified to be on the Board based on her extensive leadership skills and engineering and technology experience in the semiconductor, semiconductor tools, and software fields, including her business and technical experience with analog and mixed-signal products.

CATHERINE P. LEGO

Director since April, 2020

Ms. Lego, age 63, is the founder of Lego Ventures LLC, a consulting services firm and source of start-up capital for early-stage technology companies, which she operated from 1992 until December 2018. She currently serves as a member of the Board of Directors of Guidewire Software, Inc., an industry platform provider for property and casualty insurers, since September 2019; Lam Research Corporation, a wafer fabrication equipment company, since 2006, where she has been Chair of its Compensation Committee since 2015, a member of the Nominating and Governance Committee since 2014, and Chair of its Audit Committee from 2009 to 2014; and IPG Photonics Corporation, a high-power fiber laser and amplifier company for diverse applications, since July 2016, where she is a member of the Audit Committee and Chair of its Compensation Committee.

In the past five years, Ms. Lego has served on the boards of Cypress Semiconductor Corp., a developer of advanced embedded system solutions, between September 2017 and April 2020, where she served as Chair of its Audit Committee and a member of the Nominating and Corporate Governance Committee; Fairchild Semiconductor, a fabricator of power management devices, between August 2013 and September 2016, where she was a member of the Compensation Committee and Nominating and Governance Committee; and SanDisk Corporation, from 1989 to 2016, where she was Chair of its Audit Committee. Prior to 2015, she served on several other public company boards, along with other privately-held technology companies. Ms. Lego previously was a partner at two venture capital funds and practiced as a certified public accountant with Coopers & Lybrand (now PricewaterhouseCoopers). Ms. Lego received a B.A. degree in economics and biology from Williams College and a M.S. degree in accounting from the New York University Stern School of Business.

The Governance and Nominating Committee believes that Ms. Lego is well qualified to serve as a director of the Company based on her extensive board-level experience; her substantial risk management, accounting, and finance expertise; her knowledge of the electronics and semiconductor industries; her experience with mergers, acquisitions, and corporate financing; and her Board governance experience and knowledge, including her service as a chair of an audit committee and member of audit, compensation, and nominating and governance committees.

JASON P. RHODE

Director since 2007

Dr. Rhode, age 50, is the CEO of the Company. From May 2007 through January 2020 he held the combined position of President and CEO. Dr. Rhode joined the Company in 1995 and served in various engineering positions until he became Director of Marketing for analog and mixed-signal products in November 2002. He was appointed Vice President, General Manager, Mixed-Signal Audio Products, in December 2004, a role he served in until his appointment as President and CEO. Dr. Rhode holds a B.S. in Electrical Engineering from San Diego State University, as well as M.S. and doctorate degrees in Electrical Engineering from North Carolina State University.

The Governance and Nominating Committee believes that Dr. Rhode's prior experience as a semiconductor designer and his current role as CEO of the Company make him well qualified to be on the Board based on his detailed and unique knowledge of the Company's operations, opportunities, and challenges. In addition, the Governance and Nominating Committee believes that having Dr. Rhode serve on the Board helps to bridge the gap between the Board and management, to facilitate the regular flow of information between management and the Board, and to ensure that the Board and management act with a common purpose to execute our strategic initiatives and business plans.

ALAN R. SCHUELE

Director since 2011

Mr. Schuele, age 74, has been a general partner since 2000 with Sevin Rosen Funds, a high tech venture capital firm. While at Sevin Rosen Funds, Mr. Schuele led the investments in a number of semiconductor companies, including Cicada Semiconductor (acquired by Vitesse), Zilker Labs and D2Audio Corporation (both acquired by Intersil), and Javelin Semiconductor (acquired by Avago Technologies, Ltd.). Prior to working at Sevin Rosen, he was Chief Executive Officer of Benchmarq Microelectronics and served as President and Chief Operating Officer of Unitrode Corporation after its merger with Benchmarq. Over his nearly 30-year career in the semiconductor industry, he has held various executive and sales management positions in several semiconductor companies including the Company, Crystal Semiconductor, Cypress Semiconductor, and Mostek. Mr. Schuele was previously a director at Vidyo, Inc., which provides a scalable software-based solution for video conferencing. Mr. Schuele was also previously a director at InfoNow Corp., a leading provider of SaaS-based channel management solutions, where he served as a director between 2008 and November 2011. In addition to Mr. Schuele's extensive executive management and sales experience at semiconductor companies, he has played key roles in major mergers and acquisitions and has worked extensively in Asian markets.

The Governance and Nominating Committee believes that Mr. Schuele's experiences, along with his experience in advising entrepreneurs on how to turn their emerging technologies into winning companies, make him well qualified to contribute strategic, operational, and industry expertise to the Board.

DAVID J. TUPMAN
Director since 2015
Dr. Tupman, age 57, is currently the CEO of Details Lab Inc., an advisory firm focusing on scaling organizations for high-growth, technology development and new product introduction. From 2001 to 2011, Dr. Tupman rose from manager to Vice President of hardware engineering at Apple Inc., where he led the hardware engineering and technology teams for multiple mobile devices. Prior to Apple, Dr. Tupman worked at Psion Computers in London, England, from 1995 to 2001 as a hardware-engineering manager, developing a number of personal digital assistant products. From 1988 to 1995, Dr. Tupman was a Principal Design Engineer at Schlumberger in Farnborough, England, where he developed low power, high precision sensors for the gas, fuel and aerospace industries. Dr. Tupman holds a Bachelor's degree in Electronics Engineering and an honorary doctorate (D.Sc.) from the University of Salford, England. Dr. Tupman is named as an inventor on more than 30 U.S. patents. Dr. Tupman has also served as a director of Pixelworks, Inc., a company that develops video display processing technology, since April 2014.

The Governance and Nominating Committee believes that Dr. Tupman is well qualified to be on the Board based on his extensive engineering and technology experience in the consumer electronics and industrial markets.

The Board recommends a vote "FOR" the election to the Board of each of the foregoing nominees.

Proposal No. 2:

Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee has appointed Ernst & Young LLP ("Ernst & Young") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the fiscal year ending March 27, 2021. During the fiscal year that ended March 28, 2020, Ernst & Young served as the Company's independent registered public accounting firm and also provided certain tax services.

The Audit Committee pre-approves and reviews all audit and non-audit services provided by Ernst & Young. In considering the services to be provided by Ernst & Young, the Audit Committee considers whether the provision of non-audit services is compatible with maintaining the independence of Ernst & Young.

For additional information relating to the Audit Committee, see the section of this proxy statement entitled, "*Report of the Audit Committee of the Board*," as well as the Audit Committee Charter, which is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

A representative of Ernst & Young is expected to attend the Annual Meeting and be available to respond to questions and, if he or she desires, to make a statement.

The Board recommends a vote "FOR" Proposal No. 2.

If the appointment is not ratified, the Audit Committee retains the discretion to select other auditors for the following fiscal year or to determine that Ernst & Young will continue to serve as the independent auditor. Ratification of the appointment of Ernst & Young as the Company's independent registered public accounting firm for the fiscal year ending March 27, 2021, requires the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote at the meeting.

Proposal No. 3:

Advisory Vote to Approve Executive Compensation

Section 14A of the Securities Exchange Act of 1934 and related rules of the SEC enable our stockholders to vote to approve, on an advisory, non-binding basis, the compensation of our CEO, our Chief Financial Officer ("CFO"), and our three other most highly compensated executive officers (collectively, our "Named Executive Officers") as disclosed in this proxy statement. This vote is advisory and, therefore, not binding on the Company, the Compensation Committee, or the Board. However, the Board and the Compensation Committee value the opinions of our stockholders and to the extent there is a significant vote against the compensation of the Named Executive Officers, we will consider our stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

As described in detail in the section of this proxy statement entitled, "*Compensation Discussion and Analysis*," our executive compensation program is designed to attract, motivate, and retain executive officers, while aligning their interests with those of our stockholders. Under this program, our executive officers are rewarded for the achievement of strategic and operational objectives and the realization of increased stockholder value. Please read the Compensation Discussion and Analysis and the accompanying compensation tables of this proxy statement for additional information about our executive compensation program, including information about the compensation of the Named Executive Officers for fiscal year 2020.

By way of this proposal, commonly known as a "Say-on-Pay" proposal, we are asking our stockholders to indicate their support for the compensation of the Named Executive Officers as described in this proxy statement. Please note that this vote is not intended to address any specific item of compensation, but rather the overall compensation of the Named Executive Officers and the philosophy, policies, and practices described in this proxy statement.

The stockholders are being asked to approve the following resolution at the Annual Meeting:

> "RESOLVED, that the compensation paid to the company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED."

The Board recommends a vote "FOR" Proposal No. 3.

Proposal No. 4:

Approval of the First Amendment to the 2018 Long Term Incentive Plan

Background and Purpose of the Proposal

The Cirrus Logic, Inc. 2018 Long Term Incentive Plan (the "LTIP") was adopted by the Board and approved by the stockholders on August 3, 2018. At this year's Annual Meeting, stockholders will be asked to approve the increase in the number of shares available for issuance under the LTIP (the "First Amendment") by 3,200,000 shares. If approved by the Company's stockholders at the Annual Meeting, the First Amendment to the LTIP will become effective July 31, 2020. The First Amendment, is attached hereto as Exhibit 1 and the LTIP is attached hereto as Exhibit 2. If the First Amendment becomes effective, the Company will register the additional shares on a Registration Statement on Form S-8 as soon as practicable following the effective date.

Summary of the First Amendment to the LTIP

The use of stock-based awards under the Plan continues to be a key element of the Company's compensation program. The purpose of the First Amendment is to increase the number of shares of

common stock that the Company may issue under the Plan by 3,200,000 shares, from 6,125,205 to 9,325,205 shares. As of March 28, 2020, there were 2,832,774 shares associated with outstanding RSUs and PBRSUs, and there were 1,216,435 options, vested and unvested, outstanding and unexercised. No other equity awards were outstanding under any of the Company's equity compensation plans, including the LTIP as of such date. Of the 6,125,205 shares currently authorized for issuance under the LTIP, there remain only 2,094,850 shares available for grant as of March 28, 2020.

The LTIP is a broad-based plan under which the Company grants awards to its current and prospective employees, including officers, directors, and consultants. The Company continues to believe that its long-term interests are best advanced by aligning the interests of its nonemployee directors and key employees with the interests of its stockholders. Therefore, to attract, retain and motivate nonemployee directors, officers and key employees of exceptional abilities and, in recognition of the significant contributions to the long-term performance and growth of the Company and its subsidiaries made by these individuals, the Board has adopted the First Amendment to the LTIP, subject to stockholder approval. Approval of the First Amendment will permit the Company to continue to use stock-based compensation to align stockholder and employee interests and to motivate employees and others providing services to the Company or any subsidiary. While the Board is cognizant of the potential dilutive effect of compensatory stock awards, it also recognizes the significant motivational and performance benefits that are achieved from making such awards. The Board determined that an increase of 3,200,000 shares was appropriate based on a number of factors, including: the current number of shares available under the LTIP, the number of shares that remain subject to outstanding options and restricted stock units, the potential dilutive effects on the Company's stockholders, the Company's historical annual burn rates, and the anticipated future needs for equity to be able to attract and retain key employees and members of our leadership team.

Consequence of Failing to Approve the Proposal

If this Proposal No. 4 and the First Amendment is not approved by the Company's stockholders, the LTIP will continue to be effective, and there will be no impact on the rights of existing award holders under the LTIP. However, if this Proposal No. 4 and the First Amendment is not approved by the Company's stockholders, the Company would be required to reevaluate its current use of equity-based awards pursuant to the LTIP to eligible employees and directors in the future and our compensation programs in general.

Summary of the LTIP

The following is a summary of the LTIP (as amended by the First Amendment), and does not purport to be a complete description of all provisions of the LTIP. The LTIP should be read in conjunction with, and is qualified in its entirety by reference to, the complete text of the proposed First Amendment and the text of the LTIP, which are attached to this proxy statement as Exhibits 1 and 2. The LTIP gives the Compensation Committee the ability to award stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, stock awards, other stock-based awards, cash awards, substitute awards and performance awards.

Administration. The LTIP is administered by a committee of two or more directors (the "Committee") designated by the Board except to the extent the Board elects to administer the LTIP (in which case references to the "Committee" are references to the Board). The Committee has broad discretion to administer the LTIP, including the power to determine the eligible individuals to whom awards will be granted, the number and type of awards to be granted and the terms and conditions of awards. The Committee may also accelerate the vesting or exercise of any award and make all other determinations and take all other actions necessary or advisable for the administration of the LTIP.

Notwithstanding anything within the LTIP to the contrary, to comply with applicable laws in countries other than the United States in which the Company or our affiliates operates or has employees, directors or other service providers, to ensure that we comply with any applicable requirements of foreign securities exchanges, to achieve specific tax treatment for an award in any country, or to facilitate the administration of the LTIP, the Committee, in its sole discretion, has the power and authority to determine who is eligible to participate in the LTIP, modify the terms and conditions of awards, establish sub-plans with applicable foreign jurisdiction provisions, or take other actions deemed advisable to comply with foreign laws or securities exchange rules. The description of the LTIP set forth within this summary addresses the terms and conditions of the LTIP largely with respect to United States-based award recipients, therefore an award granted to an employee that is subject to foreign laws or regulations may differ from the descriptions set forth below or contained within the LTIP document.

Eligibility. Any individual who is an officer or employee of the Company or any of our affiliates, and any other person who provides services to us or our affiliates, including members of the Board, are eligible to receive awards under the LTIP at the discretion of the Committee. As of March 28, 2020, we have 1,443 employees and eight members of the Board who will be eligible to participate in the LTIP. Consultants are eligible to receive awards pursuant to the LTIP, but as the Committee has sole discretion to determine whether such consultants could receive an award, the number of consultants that could receive LTIP awards is not determinable at this time.

Shares Subject to the LTIP. Subject to stockholder approval of the First Amendment to the LTIP and the adjustments described below, the total aggregate number of shares of common stock that may be subject to awards under the LTIP, since the inception of the LTIP, is 9,325,205 shares. This number consists of the 3,200,000 being requested in connection with this First Amendment, 2,300,000 shares that were newly reserved for the LTIP in August 2018 in connection with the adoption of the LTIP, as well as 3,825,205 shares of common stock that were still available for issuance under a predecessor equity compensation plan at the time of the adoption of the LTIP or were forfeited or otherwise generally terminated without delivery from a predecessor equity compensation plan that was replaced by the LTIP. As of March 27, 2020 (the last trading day of fiscal year 2020), the price per share of the Company's common stock was $61.92 per share. The shares issued pursuant to awards under the LTIP may be authorized and unissued shares or shares that the Company reacquired, including shares purchased in the open market.

To the extent that a share of common stock is subject to an outstanding Award other than a stock option or SAR (a "Full-Value Award"), that award will reduce the aggregate share limit by 1.5 shares of common stock. To the extent that a share of common stock is subject to an outstanding award other than a Full-Value Award, the award reduces the aggregate share limit by one share of common stock. Shares of common stock subject to an Award that expire, are cancelled, exchanged, settled in cash or otherwise terminated without actual delivery of shares will again be available for Awards pursuant to the LTIP. Notwithstanding the foregoing, (i) the number of shares tendered or withheld in payment of any exercise or purchase price of an award or taxes relating to an Award, (ii) shares that were subject to a stock option or a SAR but were not issued or delivered as a result of the net settlement or net exercise of such stock option or SAR and (iii) shares repurchased on the open market with the proceeds of a stock option's exercise price, will not, in each case, be available again for awards pursuant to the LTIP. Awards that may only be settled in cash will not count against the share limit for the LTIP.

Director Limitations on Awards. In any one calendar year, the aggregate value of all compensation paid to or granted to any non-employee member of the Board, including awards granted pursuant to the LTIP and all cash compensation, shall not exceed $750,000; provided, however, that such limitation shall be without regard to compensation provided to any non-employee member of the Board during

any period in which such individual was providing services to the Company in an employee or consultant capacity. To calculate the $750,000 annual maximum, awards granted pursuant to the LTIP shall be valued on the grant date pursuant to FASB ASC Topic 718, and all other cash compensation may include, but is not limited to, quarterly retainer fees, committee fees, meeting fees, or lead independent director fees.

Awards under the LTIP.

Stock Options. The Committee may grant incentive stock options and options that do not qualify as incentive stock options, except that incentive stock options may only be granted to persons who are our employees or employees of one of our subsidiaries, in accordance with Section 422 of the Code. The exercise price of a stock option cannot be less than 100% of the fair market value of a share of our common stock on the date on which the option is granted and the option must not be exercisable for longer than ten years following the date of grant. In the case of an incentive stock option granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the exercise price of the stock option must be at least 110% of the fair market value of a share of our common stock on the date of grant and the option must not be exercisable more than five years from the date of grant. Any share of common stock that is available for grant pursuant to the LTIP shall be available for the issuance of shares pursuant to any award type under the plan, including the exercise of incentive stock options.

Stock Appreciation Rights. A SAR is the right to receive an amount equal to the excess of the fair market value of one share of our common stock on the date of exercise over the grant price of the SAR. The grant price of a SAR cannot be less than 100% of the fair market value of a share of our common stock on the date on which the SAR is granted. The term of a SAR may not exceed ten years. SARs may be granted in connection with, or independent of, a stock option. SARs may be paid in cash, common stock or a combination of cash and common stock, as determined by the Committee.

Restricted Stock. Restricted stock is a grant of shares of common stock subject to the restrictions on transferability and risk of forfeiture imposed by the Committee. If dividends are paid with respect to common stock underlying an award of unvested restricted stock, the dividend will either be reinvested in additional shares of restricted stock containing the same terms and conditions as the original award, or will be subject to the same vesting and forfeiture provisions as the underlying award and such dividend shall not become payable unless the underlying award is settled.

Restricted Stock Units. A restricted stock unit is a right to receive cash, common stock or a combination of cash and common stock at the end of a specified period equal to the fair market value of one share of our common stock on the date of vesting. Restricted stock units may be subject to the restrictions, including a risk of forfeiture, imposed by the Committee.

Stock Awards. A stock award is a transfer of unrestricted shares of our common stock on terms and conditions determined by the Committee.

Other Stock-Based Awards. Subject to limitations under applicable law and the terms of the LTIP, the Committee may grant other awards related to our common stock. Such awards may include, without limitation, awards that are convertible or exchangeable debt securities, other rights convertible or exchangeable into our common stock, purchase rights for common stock, awards with value and payment contingent upon our performance or any other factors designated by the Committee, and awards valued by reference to the book value of our common stock or the value of securities of, or the performance of, our affiliates.

Cash Awards. The LTIP permits the grant of awards denominated in and settled in cash as an element of or supplement to, or independent of, any award under the LTIP.

Substitute Awards. Awards may be granted in substitution or exchange for any other award granted under the LTIP or any other right of an eligible person to receive payment from us. Awards may also be granted under the LTIP in substitution for similar awards held by individuals who become eligible persons as a result of a merger, consolidation or acquisition of another entity or the assets of another entity by or with us or one of our affiliates.

Performance Awards. Performance awards represent awards with respect to which a participant's right to receive cash, shares of our common stock, or a combination of both, is contingent upon the attainment of one or more specified performance measures during a specified period. The Committee will determine the applicable performance period, the performance goals and such other conditions that apply to each performance award. The Committee may use any business criteria and other measures of performance it deems appropriate in establishing the performance goals applicable to a performance award.

Minimum Vesting Conditions. With the exception of awards relating to 5% of the shares of common stock reserved for issuance pursuant to the LTIP, each award is granted with a vesting schedule of at least one year following the date of grant.

Dividend or Dividend Equivalent Rights. In the event that a dividend or dividend equivalent right is granted in connection with any award under the LTIP, (i) in no event shall the dividend or dividend equivalent right be distributed to the participant before the underlying common stock covered by the award to which the dividend or dividend equivalent right relates becomes vested or issued, (ii) any such dividend or dividend equivalent right shall be subject to the same restrictions and risk of forfeiture as the underlying common stock subject to the award, and (iii) the dividend or dividend equivalent right shall be paid, if at all, at the time such restrictions or risk of forfeiture lapse.

Recapitalization. In the event of any change in our capital structure or business or other corporate transaction or event that would be considered an equity restructuring, the Committee shall or may (as required by applicable accounting rules) equitably adjust the (i) aggregate number or kind of shares that may be delivered under the LTIP, (ii) the maximum number of shares that may be granted to a covered employee each year, (iii) the number or kind of shares or amount of cash subject to an award, (iv) the terms and conditions of awards, including the purchase price or exercise price of awards and performance goals, and (v) the applicable share-based limitations with respect to awards provided in the LTIP, in each case to equitably reflect such event.

Change in Control. Except to the extent otherwise provided in any applicable award agreement, in the event of a change in control or other changes to us or our common stock, the Committee may, in its discretion, (i) accelerate the time of exercisability of an award, (ii) require awards to be surrendered in exchange for a cash payment (including canceling a stock option or SAR for no consideration if it has an exercise price or the grant price less than the value paid in the transaction), (iii) cancel awards that remain subject to a restricted period as of the date of the change in control or other event without payment, or (iv) make any other adjustments to awards (including no adjustments) that the Committee deems appropriate to reflect the applicable transaction or event.

No Repricing. Except in connection with the issuance of substitute awards under certain conditions or in connection with adjustments to awards granted under the LTIP as a result of a transaction or recapitalization involving us, without the approval of the stockholders of the Company, the terms of an outstanding award may not be amended to (i) reduce the exercise price or grant price of an outstanding option or SAR, (ii) grant a new option, SAR or other award in substitution for, or upon the cancellation of, any previously granted option or SAR that has the effect of reducing the exercise price thereof,

(iii) exchange any option or SAR for stock, cash or other consideration when the exercise price per share of common stock under such option or SAR exceeds the fair market value of a share of common stock or (iv) take any other action that would be considered a "repricing" of an Option or SAR under the NASDAQ listing standards.

Amendment and Termination. The LTIP automatically expires on the tenth anniversary of its original effective date, or August 3, 2028. The Committee may amend or terminate the LTIP at any time, subject to stockholder approval if required by applicable law, rule or regulation, including the rules of the stock exchange on which our shares of common stock are listed. The Committee may amend the terms of any outstanding award granted under the LTIP at any time so long as the amendment would not materially and adversely affect the rights of a participant under a previously granted award without the participant's consent.

Clawback. The LTIP and all awards granted thereunder are subject to any clawback or recoupment policy adopted by the Company.

Certain U.S. Federal Income Tax Consequences

The following discussion is for general information only and is intended to summarize briefly the United States federal income tax consequences to participants arising from participation in the LTIP. This description is based on current law, which is subject to change (possibly retroactively). The tax treatment of participants in the LTIP may vary depending on their particular situations and may, therefore, be subject to special rules not discussed below. No attempt has been made to discuss any potential foreign, state, or local tax consequences. In addition, nonqualified stock options and SARs with an exercise price less than the fair market value of shares of common stock on the date of grant, SARs, restricted stock units, and certain other awards that may be granted pursuant to the LTIP, could be subject to additional taxes unless they are designed to comply with certain restrictions set forth in Section 409A of the Code and guidance promulgated thereunder. Potential tax consequences to the Company or participants associated with the LTIP and its awards granted to eligible individuals subject to the laws of jurisdictions outside of the United States are not addressed herein.

Tax Consequences to Participants

Options and SARs. Participants will not realize taxable income upon the grant of an option or a SAR. Upon the exercise of a nonqualified stock option or a SAR, a participant will recognize ordinary compensation income (subject to withholding if an employee) in an amount equal to the excess of (i) the amount of cash and the fair market value of the shares of common stock received, over (ii) the exercise price of the award. A participant will generally have a tax basis in any shares of common stock received pursuant to the exercise of a nonqualified stock option or SAR that equals the fair market value of such shares of common stock on the date of exercise. Subject to the discussion under "Tax Consequences to the Company" below, the Company will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules. When a participant sells the shares of common stock acquired as a result of the exercise of a nonqualified stock option or SAR, any appreciation (or depreciation) in the value of the shares of common stock after the exercise date is treated as long- or short-term capital gain (or loss) for federal income tax purposes, depending on the holding period. The shares of common stock must be held for more than 12 months to qualify for long-term capital gain treatment.

Participants eligible to receive an option intended to qualify as an incentive option (i.e., under Section 422 of the Code) will not recognize taxable income on the grant of an incentive option. Upon the exercise of an incentive option, a participant will not recognize taxable income, although the excess of the fair market value of the shares of common stock received upon exercise of the incentive option

(“ISO Shares”) over the exercise price will increase the alternative minimum taxable income of the participant, which may cause such participant to incur alternative minimum tax. The payment of any alternative minimum tax attributable to the exercise of an incentive option would be allowed as a credit against the participant’s regular tax liability in a later year to the extent the participant’s regular tax liability is in excess of the alternative minimum tax for that year.

Upon the disposition of ISO Shares that have been held for the required holding period (generally, at least two years from the date of grant and one year from the date of exercise of the incentive option), a participant will generally recognize capital gain (or loss) equal to the excess (or shortfall) of the amount received in the disposition over the exercise price paid by the participant for the ISO Shares. However, if a participant disposes of ISO Shares that have not been held for the requisite holding period (a “Disqualifying Disposition”), the participant will recognize ordinary compensation income in the year of the Disqualifying Disposition in an amount equal to the amount by which the fair market value of the ISO Shares at the time of exercise of the incentive option (or, if less, the amount realized in the case of an arm’s length disposition to an unrelated party) exceeds the exercise price paid by the participant for such ISO Shares. A participant would also recognize capital gain to the extent the amount realized in the Disqualifying Disposition exceeds the fair market value of the ISO Shares on the exercise date. If the exercise price paid for the ISO Shares exceeds the amount realized (in the case of an arm’s-length disposition to an unrelated party), such excess would ordinarily constitute a capital loss.

The Company will generally not be entitled to any federal income tax deduction upon the grant or exercise of an incentive option, unless a participant makes a Disqualifying Disposition of the ISO Shares. If a participant makes a Disqualifying Disposition, the Company will then, subject to the discussion below under “Tax Consequences to the Company,” be entitled to a tax deduction that corresponds as to timing and amount with the compensation income recognized by a participant under the rules described in the preceding paragraph.

Under current rulings, if a participant transfers previously held shares of common stock (other than ISO Shares that have not been held for the requisite holding period) in satisfaction of part or all of the exercise price of an option, whether a nonqualified stock option or an incentive option, no additional gain will be recognized on the transfer of such previously held shares of common stock in satisfaction of the nonqualified stock option or incentive option exercise price (although a participant would still recognize ordinary compensation income upon exercise of a nonqualified stock option in the manner described above). Moreover, that number of shares of common stock received upon exercise which equals the number of previously held shares of common stock surrendered in satisfaction of the nonqualified stock option or incentive option exercise price will have a tax basis that equals, and a capital gains holding period that includes, the tax basis and capital gains holding period of the previously held shares of common stock surrendered in satisfaction of the nonqualified stock option or incentive option exercise price. Any additional shares of common stock received upon exercise will have a tax basis that equals the amount of cash (if any) paid by the participant, plus the amount of compensation income recognized by the participant under the rules described above.

The LTIP generally prohibits the transfer of awards other than by will or according to the laws of descent and distribution or pursuant to a qualified domestic relations order, but the LTIP allows the Committee to permit the transfer of awards (other than incentive options), in its discretion. For income and gift tax purposes, certain transfers of nonqualified stock options should generally be treated as completed gifts, subject to gift taxation.

The Internal Revenue Service has not provided formal guidance on the income tax consequences of a transfer of nonqualified stock options (other than in the context of divorce) or SARs. However, the Internal Revenue Service has informally indicated that after a transfer of options (other than in the

context of divorce pursuant to a domestic relations order), the transferor will recognize income, which will be subject to withholding, and FICA/FUTA taxes will be collectible at the time the transferee exercises the options. If a nonqualified stock option is transferred pursuant to a domestic relations order, the transferee will recognize ordinary income upon exercise by the transferee, which will be subject to withholding, and FICA/FUTA taxes (attributable to and reported with respect to the transferor) will be collectible from the transferee at such time.

In addition, if a participant transfers a vested nonqualified stock option to another person and retains no interest in or power over it, the transfer is treated as a completed gift. The amount of the transferor's gift (or generation-skipping transfer, if the gift is to a grandchild or later generation) equals the value of the nonqualified stock option at the time of the gift. The value of the nonqualified stock option may be affected by several factors, including the difference between the exercise price and the fair market value of the shares of common stock, the potential for future appreciation or depreciation of the shares of Common Stock, the time period of the nonqualified stock option and the illiquidity of the nonqualified stock option. The transferor will be subject to a federal gift tax, which will be limited by (i) the annual exclusion of $15,000 per donee (for 2020, subject to adjustment in future years), (ii) the transferor's lifetime unified credit, or (iii) the marital or charitable deductions. The gifted nonqualified stock option will not be included in the participant's gross estate for purposes of the federal estate tax or the generation-skipping transfer tax.

This favorable tax treatment for vested nonqualified stock options has not been extended to unvested nonqualified stock options. Whether such consequences apply to unvested nonqualified stock options or to SARs is uncertain and the gift tax implications of such a transfer is a risk the transferor will bear upon such a disposition.

Other Awards: Restricted Stock, Stock Awards, Restricted Stock Units, Other Stock-Based Awards and Performance Awards. A participant will recognize ordinary compensation income upon receipt of cash pursuant to an incentive award or performance award or, if earlier, at the time the cash is otherwise made available for the participant to draw upon. Individuals will not have taxable income at the time of grant of a restricted stock unit award, but rather, will generally recognize ordinary compensation income at the time he or she receives cash or shares of common stock in settlement of the restricted stock unit award, as applicable, in an amount equal to the cash or the fair market value of the shares of common stock received.

A recipient of a stock award or other equity-based award or the receipt of shares pursuant to an incentive award or performance award generally will be subject to tax at ordinary income tax rates on the fair market value of the shares of common stock when received, reduced by any amount paid by the recipient; however, if the shares of common stock are not transferable and are subject to a substantial risk of forfeiture when received, a participant will recognize ordinary compensation income in an amount equal to the fair market value of the shares of common stock (i) when the shares of common stock first become transferable and are no longer subject to a substantial risk of forfeiture, in cases where a participant does not make a valid election under Section 83(b) of the Code, or (ii) when the award is received, in cases where a participant makes a valid election under Section 83(b) of the Code. If a Section 83(b) election is made and the shares of common stock are subsequently forfeited, the recipient will not be allowed to take a deduction for the value of the forfeited shares of common stock. If a Section 83(b) election has not been made, any dividends received with respect to restricted stock that are subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient; otherwise the dividends will be treated as dividends.

A participant who is an employee will be subject to withholding for federal, and generally for state and local, income taxes at the time he recognizes income under the rules described above. The tax basis in

the shares of common stock received by a participant will equal the amount recognized by the participant as compensation income under the rules described in the preceding paragraph, and the participant's capital gains holding period in those shares of common stock will commence on the later of the date the shares of common stock are received or the restrictions lapse. Subject to the discussion below under "Tax Consequences to the Company," the Company will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules.

Tax Consequences to the Company

Reasonable Compensation. In order for the amounts described above to be deductible by the Company (or a subsidiary), such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses.

Golden Parachute Payments. The ability of the Company (or the ability of one of its subsidiaries) to obtain a deduction for future payments under the LTIP could also be limited by the golden parachute rules of Section 280G of the Code, which prevent the deductibility of certain excess parachute payments made in connection with a change in control of an employer-corporation.

Deduction Limitations. The ability of the Company (or the ability of one of its subsidiaries) to obtain a deduction for amounts paid under the LTIP could be limited by Section 162(m) of the Code. Section 162(m) of the Code limits the Company's ability to deduct compensation, for federal income tax purposes, paid during any year to a "covered employee" (within the meaning of Section 162(m) of the Code) in excess of $1,000,000. Despite this limitation, the Company may determine that it is in the Company's best interests to grant Awards pursuant to the LTIP that are not tax deductible to the Company in certain situations.

New Plan Benefits

A summary of the material features of the LTIP, including the class of persons eligible to participate therein and the number of persons in such class, is included above under the title "Summary of LTIP."

Because awards granted under the LTIP are at the discretion of the Committee, it is not possible to determine the benefits or amounts that will be received by or allocated to eligible individuals. Therefore, we have not included a New Plan Benefits Table nor information regarding stock option awards that could be granted pursuant to the LTIP in the future.

The Company made its annual equity awards under the LTIP for fiscal year 2020 to the Named Executive Officers, nonemployee directors, and to its other eligible employees. The grants to the Named Executive Officers are reflected in the "*Fiscal Year 2020 Grants of Plan-Based Awards Table*" that can be found in the Executive Compensation Tables section of this proxy statement. The fiscal year 2020 grant to the nonemployee directors is reflected in the *"Director Compensation Table for Fiscal Year 2020"* in the Corporate Governance section of this proxy statement.

Options Previously Awarded

The following table states the amount of options that have been previously granted pursuant to the LTIP as of March 28, 2020:

Name and Position, or Group, as Applicable	Number of Options Previously Granted
All Named Executive Officers:	219,900
● Jason P. Rhode, CEO	125,000
● Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	24,400
● John M. Forsyth, President	24,500
● Carl J. Alberty, Vice President, Mixed Signal Products	21,100
● Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	24,900
All Current Executive Officers as a Group	313,300
All Current Directors as a Group	140,515
Each Nominee for Election as a Director:	
● John C. Carter	0
● Alexander M. Davern	0
● Timothy R. Dehne	0
● Deirdre R. Hanford	15,515
● Catherine P. Lego	0
● Jason P. Rhode	125,000
● Alan R. Schuele	0
● David J. Tupman	0
All Employees as a Group, Excluding Current Executive Officers	45,100

The Board recommends a vote "FOR" Proposal No. 4. This Proposal requires the affirmative vote of the holders of a majority of the total number of shares of common stock present in person or by proxy and entitled to vote on the matter. The Board believes strongly that the approval of the First Amendment to the LTIP is essential to the Company's continued success. All duly submitted proxies that are signed, but which do not provide instructions for how to vote, will be voted **FOR** the approval of the First Amendment by the management proxy holders. All members of the Board and our executive officers and other senior employees are eligible for awards under the LTIP and thus have a personal interest in the approval of the First Amendment.

OTHER MATTERS

The Company knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the proxy to vote the shares they represent as the Board may recommend. Discretionary authority with respect to such other matters is granted by the execution of the proxy.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information regarding the beneficial ownership of common stock as of May 12, 2020, by:

- The stockholders we know to beneficially own more than 5% of outstanding common stock;
- Each director named in this proxy statement;
- Each executive officer named in the Summary Compensation Table included in this proxy statement; and
- All of our directors and executive officers as a group.

Common stock is the only class of voting securities issued by the Company. Unless otherwise indicated in the footnotes, the beneficial owner has sole voting and investment power with respect to the securities beneficially owned, subject only to community property laws, if applicable. In addition, unless otherwise indicated in the footnotes, the beneficial owner's address is 800 W. 6th Street, Austin, Texas 78701.

Beneficial Owner	Shares Beneficially Owned	
	Number	Percent[1]
5% or Greater Stockholders:		
Blackrock, Inc.[2]	9,061,221	15.5255%
The Vanguard Group[3]	6,000,431	10.2811%
FMR LLC[4]	4,082,925	6.9957%
Directors and Named Executive Officers:		
Jason P. Rhode, Chief Executive Officer and Director[5]	594,359	1.0117%
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer[6]	69,970	*
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary[7]	57,860	*
David J. Tupman, Director[8]	40,536	*
Alan R. Schuele, Director[9]	30,193	*
J. Alberty, Vice President, Mixed-Signal Products[10]	22,038	*
Alexander M. Davern, Director[11]	19,748	*
Timothy R. Dehne, Director[12]	15,242	*
John C. Carter, Director[13]	13,509	*
Deirdre R. Hanford, Director[14]	8,012	*
John M. Forsyth, President[15]	5,874	*
Catherine P. Lego, Director[16]	0	0
All current directors and executive officers as a group (17 persons)[17]	1,081,792	1.8310%

* Less than 1% of the outstanding common stock

(1) Percentage ownership is based on 58,363,550 shares of common stock issued and outstanding on May 12, 2020. Shares of common stock issuable under stock options that are currently exercisable or will become exercisable within 60 days after May 12, 2020, and shares of common stock subject to restricted stock units ("RSUs") and performance-based RSUs ("PBRSUs") that will vest and be issued within 60 days after May 12, 2020, are deemed to be outstanding and beneficially owned by the person holding such options or RSUs or PBRSUs for the purpose of computing the number of shares beneficially owned and the percentage ownership of such person, but are not deemed outstanding for the purpose of computing the percentage of any other person.

This table does not include options, PBRSUs, or RSUs that vest more than 60 days after May 12, 2020.

(2) Based on a Schedule 13G/A filed with the SEC on February 4, 2020, Blackrock, Inc., 55 East 52nd Street, New York, NY 10055, is the beneficial owner of 9,061,221 shares, with sole voting power as to 8,342,410 shares, and sole dispositive power as to 9,061,221 shares.

(3) Based on a Schedule 13G/A filed with the SEC on February 12, 2020, The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355, is the beneficial owner of 6,000,431 shares, with sole voting power as to 56,133 shares, sole dispositive power as to 5,943,455 shares, shared dispositive power as to 56,976 shares, and shared voting power as to 8,361 shares.

(4) Based on a Schedule 13G filed with the SEC on February 7, 2020, FMR LLC, 245 Summer Street, Boston, Massachusetts 02210, is the beneficial owner of 4,082,925 shares, with sole voting power as to 1,036,797 shares, and sole dispositive power as to 4,082,925 shares.

(5) Includes 383,063 shares issuable upon exercise of options held by Dr. Rhode and 211,296 shares held directly.

(6) Includes 62,401 shares issuable upon exercise of options held by Mr. Case and 7,569 shares held directly.

(7) Includes 47,978 shares issuable upon exercise of options held by Mr. Thomas and 9,882 shares held directly.

(8) Includes 25,346 shares issuable upon exercise of options held by Mr. Tupman and 15,190 shares held directly.

(9) Includes 10,000 shares issuable upon exercise of options held by Mr. Schuele and 20,193 shares held directly.

(10) Includes 3,312 shares issuable upon exercise of options held by Mr. Alberty and 18,726 shares held directly.

(11) Includes 0 shares issuable upon exercise of options held by Mr. Davern and 19,748 shares held directly.

(12) Includes 0 shares issuable upon exercise of options held by Mr. Dehne and 15,242 shares held directly.

(13) Includes 0 shares issuable upon exercise of options held by Mr. Carter and 13,509 shares held directly.

(14) Includes 5,817 shares issuable upon exercise of options held by Ms. Hanford and 2,195 shares held directly.

(15) Includes 5,874 shares issuable upon exercise of options held by Mr. Forsyth and 0 shares held directly.

(16) Includes 0 shares issuable upon exercise of options held by Ms. Lego and 0 shares held directly.

(17) Includes options held by all executive officers and directors to purchase an aggregate of 704,897 shares of common stock that are exercisable within 60 days of May 12, 2020.

EXECUTIVE OFFICERS

Carl J. Alberty – Vice President, Mixed-Signal Products
Mr. Alberty, age 43, was appointed Vice President of Mixed-Signal Products in March 2019. Prior to this position, since March 2015, he was Vice President of Product Marketing. Mr. Alberty joined the Company in 1999 in an engineering role supporting audio products and has worked in various audio product marketing leadership roles, leading up to his most recent positions.

Scott A. Anderson – Senior Vice President, Supply Chain and Engineering Operations
Mr. Anderson, age 66, was appointed Senior Vice President, Supply Chain and Engineering Operations in March 2019. Previously, since October 2007, he was Senior Vice President and General Manager, Mixed-Signal Audio Division. Prior to joining the Company, Mr. Anderson served as the President and Chief Operating Officer of Freescale Semiconductor between March 2004 and February 2005, and as President and Chief Executive Officer of Motorola Semiconductor Products Sector between February 2003 and December 2003.

Jeffrey W. Baumgartner – Vice President, Research and Development
Mr. Baumgartner, age 46, was appointed Vice President of Research and Development in October 2018. Previously, since April 2018, he was Vice President of Silicon Development. Prior to that position, since March 2015, he was Vice President of Engineering. Mr. Baumgartner joined the Company in 1998 as a design engineer, and in 2006, he began his career in engineering management.

Jo-Dee M. Benson – Vice President, Chief Culture Officer
Ms. Benson, age 60, was appointed Vice President, Chief Culture Officer, as of July 2011. She joined the Company in July 1995 and served in various marketing communications management roles. Prior to being appointed to her current position, Ms. Benson served as Vice President, Corporate Communications and Human Resources between July 2005 and July 2011, and as Vice President, Corporate Marketing Communications between January 2001 and July 2005.

Andrew Brannan – Vice President Worldwide Sales
Mr. Brannan, age 53, joined Cirrus Logic as part of the Wolfson Microelectronics plc (“Wolfson”) acquisition in August 2014. Mr. Brannan had worked at Wolfson since 2009, where he was Chief Commercial Officer. Immediately before joining Wolfson, Mr. Brannan served as a board member and Executive Vice President of Sales and Customer Operations at Symbian Software Limited.

Thurman K. Case – Vice President, Chief Financial Officer and Principal Accounting Officer
Mr. Case, age 63, was appointed CFO in February 2007. He joined the Company in October 2000 and was appointed Vice President, Treasurer, Financial Planning & Analysis, in September 2004. Prior to being appointed to his current position, Mr. Case served as Vice President, Finance between June 2002 and September 2004, and as Director of Finance between October 2000 and June 2002. Mr. Case currently serves as a Director, Audit Committee Chair, and Corporate Governance Committee member of Helen of Troy (Nasdaq: HELE), a consumer products company based in El Paso, Texas.

John M. Forsyth – President
Mr. Forsyth, age 46, was appointed President of the Company in January 2020. Previously, from June 2018, he was the Company’s Chief Strategy Officer. Prior to that position, from August 2014, he served as Vice President of Product Marketing. Mr. Forsyth joined the Company in 2014 through the acquisition of Wolfson Microelectronics, where he served as Vice President of Audio Products.

Allan W. Hughes – Vice President Cirrus Logic International
Mr. Hughes, age 59, joined Cirrus Logic as part of the Wolfson acquisition in August 2014.
Mr. Hughes joined Wolfson in March 2009 as Vice President Marketing and Applications. In 2013, he assumed the role of Chief Operating Officer.

Jason P. Rhode – Chief Executive Officer, and Director Nominee
Dr. Rhode, age 50, is the CEO of the Company. From May 2007 through January 2020 he held the combined position of President and CEO. Dr. Rhode joined the Company in 1995 and served in various engineering positions until he became Director of Marketing for analog and mixed-signal products in November 2002. He was appointed Vice President, General Manager, Mixed-Signal Audio Products, in December 2004, a role he served in until his appointment as President and CEO.

Gregory Scott Thomas – Senior Vice President, General Counsel and Corporate Secretary
Mr. Thomas, age 54, was appointed Vice President, General Counsel and Corporate Secretary in December 2003. He joined the Company in December 2000 as Vice President and Associate General Counsel, Intellectual Property.

COMPENSATION DISCUSSION AND ANALYSIS

Table of Contents

Purpose 35
Executive Summary 36
Advisory Vote on Executive Compensation and Last Year's Result 38
Our General Philosophy and Overall Compensation Framework 38
  How We Set Target Total Direct Compensation 38
  Our Use of a Compensation Consultant 39
  The Information We Use for Comparisons 39
  The Role of Our Executive Officers in Establishing Compensation 40
  The Elements Making Up Compensation and Our Target Compensation Levels 41
Executive Compensation Review for Fiscal Year 2020 41
  Base Salaries 42
  Cash Bonuses 43
    Incentive Plan Pay-Out Percentage 43
    Semiannual Target Bonus Percentages 46
    Target Total Cash Compensation 46
    Actual Cash Bonuses 47
  Equity Grants 47
    Stock Options and RSUs 48
    Performance-Based Restricted Stock Units 48
    Equity Awards and Comparisons to Compensation Market Data 49
    Administrative and Timing Aspects of Our Equity Awards 52
    Stock Ownership Guidelines 53
  Perquisites and Other Benefits 53
Post-Employment Compensation 53
Clawback Policy and Prohibition Against Short Selling, Hedging, and Pledging 54
Tax Considerations Related to Compensation 54
Compensation Committee Interlocks and Insider Participation 55

I. Purpose

The purpose of this Compensation Discussion and Analysis is to explain the Compensation Committee's philosophy for determining the compensation program for our Chief Executive Officer

("CEO"), our Chief Financial Officer ("CFO"), and the three other most highly compensated executive officers (collectively, the "Named Executive Officers") for fiscal year 2020 and to discuss why and how the fiscal year 2020 compensation decisions for these executives were reached. As used in this Compensation Discussion and Analysis, all references to the 2020 fiscal year are applicable to the time period that began on March 31, 2019, and ended on March 28, 2020. Following this discussion are tables that include compensation information for the Named Executive Officers. This Compensation Discussion and Analysis contains descriptions of various employee compensation and benefit plans. These descriptions are qualified in their entirety by reference to the full text or detailed descriptions of the plans that are filed as exhibits to the Company's Annual Report on Form 10-K for fiscal year 2020.

The Named Executive Officers for fiscal year 2020 were as follows:

- Jason P. Rhode, CEO;
- Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer;
- John M. Forsyth, President;
- Carl J. Alberty, Vice President, Mixed Signal Products; and
- Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary.

In May 2019, the Board designated Mr. Forsyth and Mr. Alberty as executive officers of the Company; at the time Mr. Forsyth was Chief Strategy Officer, and Mr. Alberty held the title noted above. In January 2020, Mr. Forsyth was promoted to President, which was a position previously held by Dr. Rhode.

The Compensation Committee reviews and approves base salaries and other matters relating to executive compensation and administers the Company's stock incentive plans, including reviewing and granting stock incentive awards to our executive officers and other employees and reviewing and approving policies and procedures for granting awards under these plans.

II. Executive Summary

Listed below are select business highlights for fiscal year 2020 and significant actions taken by our Compensation Committee in fiscal year 2020. Additional details are described in the discussion and analysis that follows.

Business Highlights

- **Revenue**. We reported revenue of $1.28 billion, which was up 8% from the prior year. The growth in revenue was primarily driven by content gains in smartphones and, to a lesser extent, higher unit volumes;
- **Cash Generation**. Cash from operations was $295.8 million, and our ending cash balance was approximately $598 million. We used $120 million to repurchase approximately 2 million shares at an average price of $56.32;
- **Product Momentum**. We expanded penetration with new and existing customers and executed on several strategic initiatives that we believe position the company for success in the coming years. We increased the number of components shipping into smartphones; gained share in tablets, wearables and truly wireless headsets; and introduced numerous new components to address opportunities in audio, voice, and other adjacent markets; and
- **Research and Development**. Drawing on our capabilities in mixed-signal design and advanced low-power processing, we are investing in a number of new technologies that we

believe will drive product diversification and expand our serviceable market. Notable research and development projects include, for example:

- transitioning key intellectual property and smart codec technology from 55-nanometer to 22-nanometer process node, which is expected to enhance the design capabilities for high-performance, mixed-signal smart codecs enabling meaningful improvements to power, latency and size;
- secure voice authentication technologies and related areas; and
- next-generation boosted amplifiers that feature advancements to battery management and deliver higher power and louder amplification with improved efficiency.

Compensation Highlights

- **Base Salaries**. Based on a compensation analysis performed in the first half of fiscal year 2020, the Compensation Committee maintained the base salary of our CEO and raised base salaries of our other Named Executive Officers by 4–11% depending on factors discussed below, such as market comparisons and individual performance;
- **Equity Grants**. Based on that compensation analysis, the Compensation Committee approved restricted stock units ("RSUs"), Performance-Based Restricted Stock Units ("PBRSUs"), and stock option grants to our Named Executive Officers. The approved grants had an estimated accounting value roughly the same as last year with respect to our CEO, maintained internal pay equity, and resulted in a closer alignment with the 50th percentile of applicable market data for target total direct compensation. In April 2019, and January 2020, the Compensation Committee approved additional equity grants to two of our Named Executive Officers to reflect their respective promotions to Vice President and President;
- **Cash Bonuses**. In both semiannual performance periods, the Company's Operating Profit Margin (a non-GAAP operating-income measure that excludes bonus payments and other items as defined in the section of this proxy statement entitled, "*Incentive Plan Pay-Out Percentage*") was at or near our target, and the Company's above-target revenue growth in the second semiannual performance period drove cash bonuses above target levels for the year;
- **PBRSU Performance**. In view of the Company's three-year stock price performance, the PBRSUs granted within fiscal year 2017 had a payout percentage of zero, and therefore no corresponding shares vested within fiscal year 2020; and
- **Total Compensation**. Total compensation for our Named Executive Officers increased compared to fiscal year 2019, reflecting stronger operating results from the prior fiscal year.

We are committed to paying our executive officers based on Company and individual performance. A significant portion of each executive officer's compensation is based on the achievement of short- and long-term corporate goals and objectives.

The Compensation Committee believes that the compensation paid to our executive officers as reflected in this proxy statement reflects, and is fully supported by, the Company's performance over the relevant time periods. While our one-year revenue growth fell at the bottom of our Proxy Group (as defined below in the section of the Compensation Discussion and Analysis entitled, "*The Information We Use for Comparisons*"), our operating income and net income placed us above the 50th percentile of this Proxy Group for the four quarters preceding our data-gathering efforts in support of the Company's annual review of executive compensation.

III. Advisory Vote on Executive Compensation and Last Year's Result

We conducted our annual stockholder advisory vote on named executive officer compensation at our 2019 annual meeting of stockholders. While this vote was not binding on the Company, it gives our stockholders an opportunity to vote on the compensation of our Named Executive Officers on an annual basis as a means to express their views regarding our executive compensation philosophy, our compensation policies and programs, and our decisions regarding executive compensation, all as disclosed in our proxy statement. The Board and the Compensation Committee value the opinions of our stockholders and, to the extent that there is any significant vote against the compensation of our Named Executive Officers as disclosed in this proxy statement, we will consider our stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

At our 2019 annual meeting of stockholders, 93% of the votes cast on our executive compensation proposal were voted in favor of our Named Executive Officers' compensation as disclosed in the proxy statement, and as a result, our Named Executive Officers' compensation was approved. The Compensation Committee reviewed the final vote results and determined that, given the significant level of support, no specific changes to our executive compensation philosophy or general policies and practices were necessary to address any stockholder concerns.

We provide our stockholders with the opportunity to cast an advisory vote on named executive officer compensation each year. For more information, see *"Proposal No. 3 – Advisory Vote to Approve Executive Compensation"* within this proxy statement.

IV. Our General Philosophy and Overall Compensation Framework

We provide our executive officers with compensation opportunities that are based on their personal performance, the financial performance of the Company, their contribution to that performance, and the Company's total shareholder return relative to certain other semiconductor companies through a mix of base salary, annual cash incentive awards, and equity compensation including RSUs, PBRSUs, and stock options. These opportunities are designed to attract and retain highly skilled individuals and to align their incentives with the long-term interests of our stockholders.

We believe that the amounts payable under the compensation program for our executive officers should reflect the Company's performance and the value created for our stockholders. In addition, the compensation program should balance the short- and long-term strategic goals and objectives of the Company and reward individual contribution to the Company's success. We are engaged in a very competitive industry, and the Company's success depends on our ability to attract and retain qualified executives through the competitive compensation packages we offer.

A. How We Set Target Total Direct Compensation

The Compensation Committee annually reviews and establishes each executive officer's target total direct compensation package. The Compensation Committee considers a broad range of facts and circumstances in setting executive compensation, including Company performance, individual performance, relative stockholder return, external pay practices of peer companies, the strategic importance of the executive officer's position, and the history of pay adjustments, as well as internal pay equity and the executive officer's time in the position. The weight given to each of these factors by the Compensation Committee is not preestablished and may differ from year to year, and among the individual executive officers.

The Company's executive compensation program is heavily weighted toward performance-based compensation that rewards achievement of short- and long-term corporate goals and objectives. In

setting target total direct compensation for our executive officers, the Compensation Committee seeks to strike a balance between providing compensation that is competitive with the compensation paid to executives of peer companies, while ensuring that a significant percentage of compensation is dependent on the Company's performance, individual performance, and stock price appreciation. Please see the section of this proxy statement entitled, "*The Elements Making Up Compensation and Our Target Compensation Levels*" for additional information regarding the target total direct compensation for our Named Executive Officers.

B. Our Use of a Compensation Consultant

To support the Compensation Committee in fulfilling its duties, the Compensation Committee directly retained an external compensation consultant to assist with its design and evaluation of compensation for our CEO, executive officers, and directors for fiscal year 2020. Pursuant to its charter, the Compensation Committee is authorized to retain and terminate any consultant, as well as approve the consultant's fees and other terms of retention.

During fiscal year 2020, the Compensation Committee retained Compensia, Inc. ("Compensia") to provide executive and director compensation consulting services. Compensia has served as the Compensation Committee's independent compensation consultant since fiscal year 2013. At the direction of the Compensation Committee, in fiscal year 2020 Compensia performed a comprehensive review of our CEO's and other executive officers' compensation. In addition to a complete review of executive compensation, in March 2019 Compensia reviewed and recommended changes to our previous compensation peer group to use for purposes of analyzing the competitive market for executive and director compensation. The Compensation Committee considered the information provided by Compensia in setting executive compensation.

As required by the Nasdaq listing standards, the Compensation Committee performed an independence assessment of Compensia for fiscal year 2020. The Compensation Committee determined that Compensia should be considered independent based on the following factors:

- Compensia provided no services to the Company other than its work for the Compensation Committee;
- The fees paid to Compensia by the Company for fiscal year 2020 were less than 1% of Compensia's revenues for that year;
- Compensia has developed and provided to the Company a Conflict of Interest Policy;
- The advisers from Compensia have no business or personal relationship with any members of the Company's Compensation Committee or the Company's executive officers; and
- Compensia has confirmed that none of the advisers from Compensia own any shares of our common stock.

Accordingly, the Compensation Committee determined that the services provided by Compensia to the Compensation Committee for fiscal year 2020 did not give rise to any conflicts of interest.

C. The Information We Use for Comparisons

To aid the Compensation Committee's annual executive compensation review, Compensia prepared and presented a compensation assessment of the Company's executive compensation program. Compensia's assessment was based on (a) publicly available data gathered from a group of specific companies that are considered comparable to the Company (the "Proxy Group") and (b) market data obtained from the Radford Global Technology Survey specific to companies in such Proxy Group (the "Survey Data").

The Proxy Group generally consists of public companies listed on U.S. stock exchanges in the semiconductor industry that are comparable in size (approximately $400 million – $3.7 billion in revenue and approximately $400 million – $8.3 billion in market capitalization) and share common characteristics with the Company, including location and similarity of business model and product lines. In determining the number of companies to include within the Proxy Group, the Compensation Committee considered the ability to achieve year-over-year consistency and position-specific executive-compensation comparisons. The Compensation Committee also considered whether a proposed peer was historically in the Company's peer group to maintain additional consistency. Another factor considered by the Compensation Committee was the likelihood that the Company might compete for executive talent with companies selected for the Proxy Group. For example, due in part to the specialized field within which the Company operates, the targeted talent pool from which to attract skilled leadership is narrow, and as such, the Compensation Committee will continue to revisit and revise its peer group in future years to ensure the Company remains competitive in its continuing recruitment and retention efforts.

In March 2019, based on these criteria, and with the direction of the Compensation Committee on companies to consider for inclusion in the Proxy Group, Compensia reviewed the then-existing Proxy Group and made recommendations regarding potential additions and removals. The recommendations represented an expansion in the number of peers, which was intended to increase year-over-year consistency, even if merger and acquisition activities affected some peer companies.

Specifically, Compensia recommended that the following seven companies be added to the Proxy Group: Cabot Microelectronics Corporation; Entegris, Inc.; First Solar, Inc.; FormFactor, Inc.; MACOM Technology Solutions Holdings, Inc.; SMART Global Holdings, Inc.; and SunPower Corporation.

Compensia recommended that the following three companies be removed from the Proxy Group because of acquisitions: Cavium, Inc.; Microsemi Corp.; and Integrated Device Technology.

After review, the Compensation Committee approved such recommendations, and the following group of 20 companies was approved for the Proxy Group: (1) Cabot Microelectronics Corporation; (2) Cree, Inc.; (3) Cypress Semiconductor; (4) Diodes Incorporates; (5) Entegris, Inc.; (6) First Solar, Inc.; (7) FormFactor, Inc.; (8) Knowles Corporation; (9) MACOM Technology Solutions Holdings, Inc.; (10) Marvell Technology Group Ltd.; (11) Maxim Integrated Products, Inc.; (12) Monolithic Power Systems, Inc.; (13) Power Integrations, Inc.; (14) Qorvo, Inc.; (15) Semtech Corp.; (16) Silicon Laboratories, Inc.; (17) SMART Global Holdings, Inc.; (18) SunPower Corporation; (19) Synaptics Incorporated; and (20) Xilinx, Inc.

Compensia developed comparison compensation data for each Cirrus Logic executive officer ("Compensation Market Data"). For Dr. Rhode, Mr. Case, and Mr. Forsyth, the Compensation Market Data consisted solely of data derived from the Proxy Group, while for Mr. Alberty and Mr. Thomas a blend of Survey Data and Proxy Group data was used.

D. The Role of Our Executive Officers in Establishing Compensation

Our Human Resources and Legal departments support the Compensation Committee's work related to our compensation programs. This support consists of assistance with providing Survey Data, proposals of potential ranges of various components of compensation for our executive officers, and information regarding the Company's 2018 Long Term Incentive Plan. Regular meetings of the Compensation Committee are generally attended by our CEO, CFO, President, Chief Culture Officer, and our General Counsel. Because the Company's executive officers report up to the CEO, the Compensation Committee requests input and recommendations from him regarding executive compensation (other

than his own). The Compensation Committee considers and sets the compensation of our CEO when no members of management are present. In addition, members of management are not present while their specific compensation is being discussed and determined.

E. The Elements Making Up Compensation and Our Target Compensation Levels

Each executive officer's compensation package comprises the following elements: (i) base salary that reflects individual performance and relevant market data, (ii) annual cash incentive awards tied to the Company's achievement of specific performance objectives, (iii) long-term incentives in the form of equity awards (RSUs and options) designed to strengthen the mutuality of interests between the executive officers and the Company's stockholders, (iv) additional long-term equity incentives explicitly tied to certain Company performance-based criteria (PBRSUs), (v) other benefits that are generally available to the Company's employees, including a 401(k) (or other retirement plan) and medical, vision, and dental plans, and (vi) post-employment compensation (see sections of this proxy statement entitled, "*Our Post-Employment Compensation*" and "*Potential Payments upon Termination or Change of Control*").

In general, the Compensation Committee has attempted to establish a strong relationship between total cash compensation, the Company's performance, and individual executive performance by typically setting base salaries with reference to the 50th percentile range of the Compensation Market Data and by providing additional incentive opportunities that typically place the target total cash compensation opportunity (base salary plus target annual cash incentive compensation) also within the 50th percentile range, with the potential to earn above the 50th percentile level for higher levels of performance. We also aim to maintain internal pay equity and set the semiannual target bonus percentage (discussed in more detail below) for each executive officer other than our CEO at the same level.

The Compensation Committee also provides equity awards so that an executive officer's target total direct compensation opportunity is set with reference to the 50th percentile level of the applicable Compensation Market Data.

Market-related percentiles are intended only as guidelines for evaluating and establishing each executive officer's compensation and are not applied on a rigid or formulaic basis. Sometimes, depending on the totality of the circumstances for particular executive officers, and as determined by the Compensation Committee, compensation levels may fall above or below the referenced percentile ranges. Other factors such as an executive officer's additional responsibilities, prior work experience, and the number of years of experience with the Company may lead to certain executive officers having target total direct compensation above the 50th percentile of the applicable Market Compensation Data.

V. Executive Compensation Review for Fiscal Year 2020

The Compensation Committee reviewed our executive officers' compensation at a regularly scheduled Compensation Committee meeting in September 2019. At that time, the Compensation Committee also reviewed the Company's performance as compared to the Proxy Group. As part of the review, the Compensation Committee considered any changes to an executive officer's base salary or target amounts for his or her annual cash incentive awards. The Compensation Committee further considered any annual equity awards for our executive officers. At a special meeting in January 2020, the Compensation Committee undertook a similar review with respect to Mr. Forsyth as a result of his promotion to the role of President. Ultimately, any decision to adjust compensation was made in the discretion of the Compensation Committee in view of the numerous factors and circumstances discussed in this proxy statement.

The timing of the annual executive compensation review and any proposed equity awards was aligned with the Company's annual grant of equity awards to our key employees, which occurs in November. Starting in fiscal year 2021, the timing of this review and proposed rewards are expected to take place sometime during our fourth quarter (January–March) to better align with our fiscal-year calendar. See the section of this proxy statement entitled, "*Administrative and Timing Aspects of Our Equity Awards*."

A. Base Salaries

The base salary for each executive officer is designed to be commensurate with the salary levels for comparable positions within the Compensation Market Data, to reflect each individual's personal performance during the year, to take into consideration the individual's responsibilities within the Company, and to be consistent with our internal salary alignment. The relative weight given to each factor is not preestablished and may vary as determined by the Compensation Committee. In setting base salaries, the Compensation Committee reviews the Compensation Market Data, the recommendations of our CEO for base salaries other than his own, and each executive officer's individual performance for the year, as well as the factors discussed above in the section entitled, "*How We Set Target Total Direct Compensation*." The Company's profitability and operational performance and the history of past salary adjustments may also be factors in determining the base salaries of our executive officers. The Compensation Committee considers all of these factors when making its decisions.

In September 2019, the Compensation Committee took the following actions with respect to the base salaries of our Named Executive Officers, which became effective in the second-half of fiscal year 2020:

- Maintained our CEO's annual base salary at $800,000;
- Raised our CFO's annual base salary 5% from $391,300 to $410,865;
- Raised Mr. Forsyth's annual base salary 10% from $300,000 to $330,000;
- Raised Mr. Alberty's annual base salary 11% from $270,000 to $300,000; and
- Raised Mr. Thomas's annual base salary 4% from $367,500 to $382,200.

Additionally, in January 2020, Mr. Forsyth was promoted from the position of Chief Strategy Officer to President, and the Compensation Committee set Mr. Forsyth's annual base salary as President at $400,000.

The Compensation Committee took these actions in view of the factors noted above in the section entitled "*How We Set Target Total Direct Compensation*," including the Company's performance over the prior 12 months, each individual executive's performance, past salary adjustments, typical annual market adjustments, and the objective of setting target total cash compensation (including base salary and target incentive plan payments discussed below) with reference to the 50th percentile of applicable Compensation Market Data. The Compensation Committee also took into account the designation of Mr. Forsyth and Mr. Alberty as Company executive officers in May 2019, and Mr. Forsyth's promotion to President in January 2020. In setting Mr. Forsyth's base salary in January, the Compensation Committee also considered supplementary market data specific to the role of president obtained from the Radford Global Technology Survey.

With respect to the applicable Compensation Market Data, the base salary of:

- Dr. Rhode falls between the 50th and 75th percentile;

- Mr. Case, Mr. Forsyth (following his promotion to President), and Mr. Thomas falls between the 25th and 50th percentiles; and
- Mr. Alberty falls below the 25th percentile.

Prior to these adjustments, the base salaries of our Named Executive Officers other than the CEO were below the 50th percentile level of the applicable Compensation Market Data. In view of the Company's 12-month performance prior to the compensation analysis, as well as individual performance considerations and typical annual market adjustments, the Compensation Committee brought their base salaries closer toward, but still below, the 50th percentile level.

Since the Company's yearly base-salary determinations are made approximately halfway into a given fiscal year, the salary column of the Summary Compensation Table, which totals base salary for an entire fiscal year, reflects a blend of salary amounts before and after any yearly adjustments.

B. Cash Bonuses

In fiscal year 2020, our Named Executive Officers participated in our 2007 Management and Key Individual Contributor Incentive Plan ("Incentive Plan"), which bases payments on our fiscal year financial performance and provides for semiannual cash bonuses.

The Incentive Plan is designed to provide employees who are in management or leadership positions in the Company, or who are key individual contributors whose efforts potentially have a material impact on the Company's performance, with incentives to enhance the Company's performance through the achievement of pre-established financial goals.

Each semiannual cash bonus is calculated as the product of three components: (1) an individual's annual base salary (as measured at the end of the given semiannual performance period), (2) an individual's semiannual target bonus percentage, and (3) an "Incentive Plan Pay-Out Percentage," which is a multiplier reflecting whether, and the extent to which, the Company has met or exceeded performance measures concerning Operating Profit Margin and revenue growth for the given semiannual performance period:

Semiannual Cash Bonus = Annual Base Salary × Semiannual Target Bonus Percentage × Incentive Plan Pay-Out Percentage

Prior to the commencement of each semiannual performance period of fiscal year 2020, the Compensation Committee set the formula and performance measures under which the Incentive Plan Pay-Out Percentage was determined.

1. Incentive Plan Pay-Out Percentage

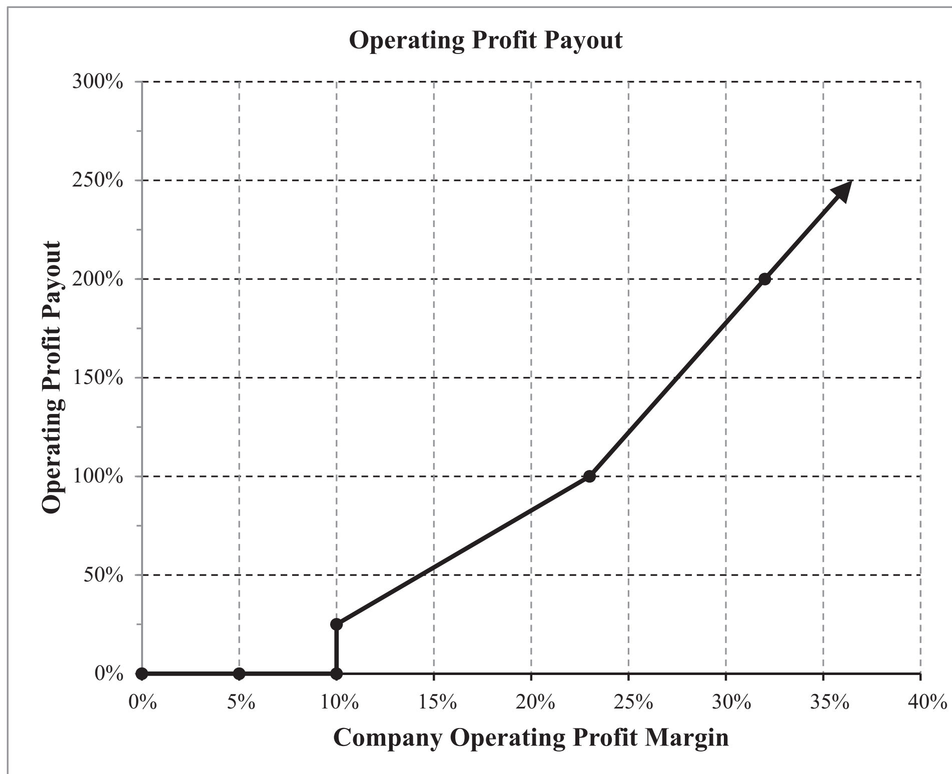
The Operating Profit Margin used in the Incentive Plan Pay-Out Percentage is defined in the Incentive Plan as the Company's consolidated GAAP operating income excluding (a) Incentive Plan and other bonus accruals and (b) any non-recurring items such as gains on sales of assets not otherwise included in revenue, losses on sales of assets, restructuring charges, merger-related costs including amortization or impairments of acquisition-related intangible assets, stock compensation expense, asset write-offs, write-downs, and impairment charges, and such other items as the Compensation Committee may determine in its sole discretion (part (b) collectively termed as "Excluded Items").

For a given semiannual performance period, the Incentive Plan Pay-Out Percentage may range anywhere between 0–250% depending on the Company's specific Operating Profit Margin and revenue growth.

The Incentive Plan Pay-Out Percentage for each semiannual performance period is calculated as the product of an operating profit payout and a revenue growth multiplier.

Incentive Plan Pay-Out Percentage = Operating Profit Payout × Revenue Growth Multiplier

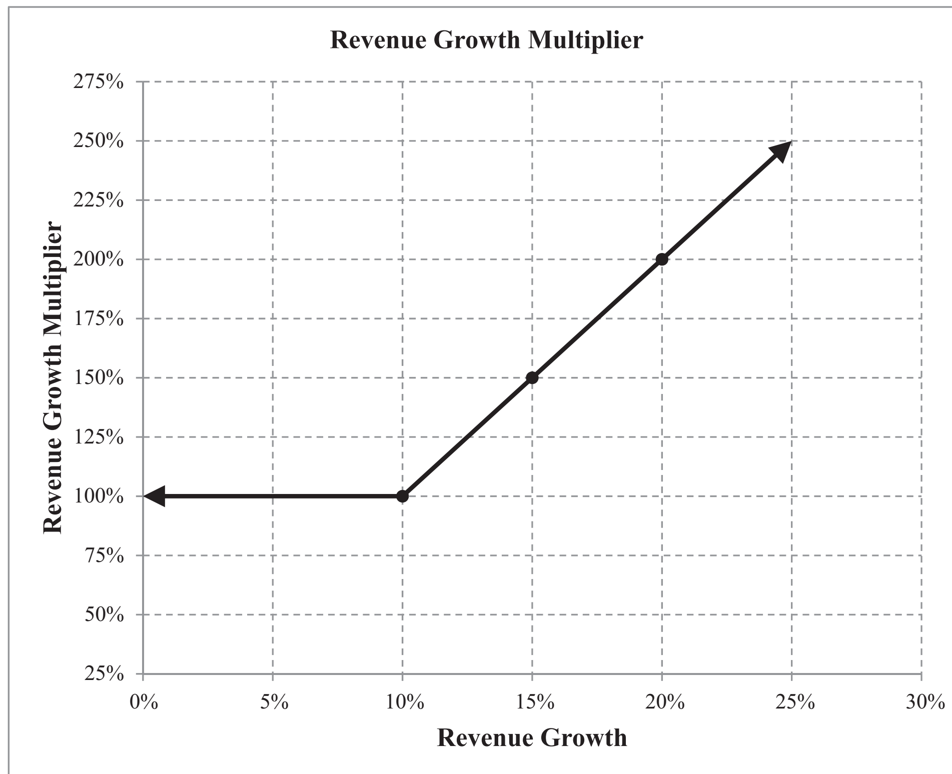
For both semiannual periods of fiscal year 2020, the Compensation Committee determined that the operating profit payout would be determined according to the following graph:



As shown, the operating profit payout is 0% for Operating Profit Margins less than 10%. The operating profit payout is 25% when the Operating Profit Margin is 10%. The operating profit payout increases linearly from 25–100% as the Operating Profit Margin increases from 10–23%. Finally, the operating profit payout increases linearly from 100–200% as the Operating Profit Margin increases from 23–32%.

For fiscal year 2020, the Compensation Committee adjusted the target for Operating Profit Margin (the non-GAAP operating-income measure defined above, which excludes bonus payments and other items) from 27% to 23%. This revision reflected the changes to the composition of our compensation peer group and the associated level of performance that would be required to outperform the majority of those peers. Updating our profit-margin performance metric also reflected our commitment to continue to invest in core research and development that we expect will drive further revenue growth into adjacent product areas pursuant to our long-term strategic plan. See the "*Business Highlights*" section of the "*Executive Summary*" above.

For both semiannual periods of fiscal year 2020, the Compensation Committee determined that the revenue growth multiplier would be determined according to the same methodology as last year:



As shown, the revenue growth multiplier is 100% for revenue growth of 10% or lower. The revenue growth multiplier then increases linearly from 100–200% as revenue growth increases from 10–20%.

With reference to the two graphs above, the Compensation Committee set a *threshold* level corresponding to an Operating Profit Margin of 10%. If that performance level is not met the operating profit payout would be 0% and hence, regardless of the revenue growth multiplier, the corresponding Incentive Plan Pay-Out Percentage would also be 0%, meaning no semiannual cash bonuses would be paid. The Compensation Committee set a *target* level corresponding to an Operating Profit Margin of 23%. At that level, if revenue growth was 10% or less, the operating profit payout and revenue growth multipliers would both be 100%, and the corresponding Incentive Plan Pay-Out Percentage would also be 100%.

Some combinations of Operating Profit Margin and revenue growth would result in Incentive Plan Pay-Out Percentages higher than 100%, which would yield cash bonus payments above target levels. The Incentive Plan, however, provides that its semiannual cash bonuses may not exceed 250% of a participant's target bonus for any applicable semiannual performance period (i.e., the Incentive Plan Pay-Out Percentage cannot exceed 250%). Further, the semiannual cash bonuses are also again subject to a cap of 12% of the Company's non-GAAP operating profit on total payments under the Company's variable compensation plans. The Compensation Committee instituted a payment cap because it determined that the proposed targets and thresholds under the Incentive Plan created a risk that a large percentage of the Company's operating profit for a period could be paid out as bonuses. The Compensation Committee set the cap at 12% based on its desire to provide a reasonable payout for

achieving the Company's performance target levels while maintaining a reasonable cap on payments under all of the Company's variable compensation plans.

The performance measures reflected in the Incentive Plan are designed to balance short- and long-term financial and strategic objectives for building stockholder value and are further based on a review of the operating results of peer companies and competitors, including the performance of the Proxy Group. As designed, the Operating Profit Margin and revenue growth goals are intended by the Compensation Committee to be based on the Company's long-term strategic plan, not the Company's annual operating plan, and to further reflect the Compensation Committee's belief that the achievement of both of these levels of performance would reflect a level of performance that would be required to outperform the majority of those peer companies and competitors. The Compensation Committee sets the target levels for these performance measures so that participants will earn their target bonuses if the Company's Operating Profit Margin and revenue growth goals are achieved during the measurement period. In contrast to how it has set the target levels for the Incentive Plan, the Compensation Committee typically has set the threshold levels for payments based in part on a review of the Company's annual operating plan along with current economic and market conditions.

2. Semiannual Target Bonus Percentages

For fiscal year 2020, the Incentive Plan maintained our CEO's semiannual target bonus percentage at 75%, and our other Named Executive Officers' semiannual target bonus percentage at 37.5%.

3. Target Total Cash Compensation

Target cash bonuses for each semiannual performance period are calculated using the formula discussed above and by assuming an Incentive Plan Pay-Out Percentage of 100%:

Target Semiannual Cash Bonus = Annual Base Salary (as of the end of the semiannual period) × Semiannual Target Bonus Percentage × 100%

Target total cash compensation is annual base salary plus both target semiannual cash bonuses:

Target Total Cash Compensation = Annual Base Salary (as of the end of the fiscal year) + Target First Half Cash Bonus + Target Second Half Cash Bonus

For fiscal year 2020, the target total cash compensation for our Named Executive Officers was:

Named Executive Officer	Base Salary	Target First Half FY20 Cash Bonus	Target Second Half FY20 Cash Bonus	FY20 Target Total Cash Compensation
Jason P. Rhode, Chief Executive Officer	$800,000	$600,000	$600,000	$2,000,000
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$410,865	$146,738	$154,074	$ 711,677
John M. Forsyth, President	$400,000	$112,500	$150,000	$ 662,500
Carl J. Alberty, Vice President, Mixed-Signal Products	$300,000	$101,250	$112,500	$ 513,750
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$382,200	$137,813	$143,325	$ 663,338

With respect to the applicable Compensation Market Data, the target total cash compensation of:

- Dr. Rhode and Mr. Thomas falls between the 50th and 75th percentile;
- Mr. Case falls between the 25th and 50th percentile; and
- Mr. Forsyth and Mr. Alberty falls below the 25th percentile.

4. *Actual Cash Bonuses*

The actual cash bonuses paid for each semiannual performance period for fiscal year 2020 were based on the Incentive Plan Pay-Out Percentages for each semiannual performance period:

Actual Semiannual Cash Bonus = Annual Base Salary (as of the end of the semiannual period) × Semiannual Target Bonus Percentage × Incentive Plan Pay-Out Percentage

As a result of the Company's performance in the first half of fiscal year 2020, the Incentive Plan Pay-Out Percentage was 96%. For that semiannual performance period, our Operating Profit Margin was 22% (which corresponded to a GAAP operating profit margin of 14%), and revenue growth was 1%.

As a result of the Company's performance in the second half of fiscal year 2020, the Incentive Plan Pay-Out Percentage was 181%. For that semiannual performance period, our Operating Profit Margin was 24% (which corresponded to a GAAP operating profit margin of 13%), and revenue growth was 16%.

For more details concerning each of these semiannual performance periods, see the section of this proxy statement entitled, "*Annex*," which includes a reconciliation of the Company's GAAP operating profit margin to the Operating Profit Margin used in the Incentive Plan calculations.

For fiscal year 2020, the actual cash bonuses and actual total cash compensation for our Named Executive Officers were therefore:

Named Executive Officer	Actual FY20 Salary	Actual First Half FY20 Cash Bonus	Actual Second Half FY20 Cash Bonus	FY20 Actual Total Cash Compensation
Jason P. Rhode, Chief Executive Officer	$800,000	$578,521	$1,088,432	$2,466,953
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$400,631	$141,485	$ 279,499	$ 821,615
John M. Forsyth, President	$325,077	$108,473	$ 272,108	$ 705,658
Carl J. Alberty, Vice President, Mixed-Signal Products	$284,308	$ 97,625	$ 204,081	$ 586,014
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$374,511	$132,879	$ 259,999	$ 767,389

In both semiannual performance periods, our Operating Profit Margin was near our target levels, and our above-target revenue growth in the second semiannual performance period drove that period's above-target cash bonuses.

C. *Equity Grants*

We provide long-term incentive opportunities in the form of equity awards to motivate and reward our executive officers for their contributions to achieving our business objectives by tying incentives to the performance of our common stock over the long term. Our equity awards include RSUs, PBRSUs, and stock options, and the Compensation Committee reviews and determines possible relative value weights that can be assigned to each component to achieve a suitable, overall compensation package for our Named Executive Officers.

The use of equity further reinforces the link between the interests of our executive officers and our stockholders. Generally, equity awards are made annually by the Compensation Committee to each of our executive officers under our 2018 Long Term Incentive Plan.

1. *Stock Options and RSUs*

Options are designed to align the interests of our executive officers and employees with those of our stockholders and provide each individual with a significant incentive to manage the Company from the perspective of an owner with an equity stake in the business. Each option award enables the recipient to purchase a specified number of shares of our common stock at a specified price per share (the market price of our common stock on the grant date) over a specified period of time (up to 10 years). Each option typically becomes exercisable in a series of installments over a specified period – over four years, with one-year cliff vesting for 25% of the options on the first anniversary of the grant date and 1/36 of the remaining options vesting on a monthly basis over the following three years – contingent upon the recipient's continued employment with the Company. Accordingly, the options provide a potential return to the executive officer only if he or she remains employed by the Company during the vesting period, and then only if the market price of common stock appreciates over the option term.

The use of time-vested RSUs balances the benefits of stock options with the executive retention and stockholder dilution benefits that RSUs provide. In particular, the Compensation Committee believes that the use of time-vested RSUs with a three-year "cliff" vesting requirement helps further our retention objectives by encouraging our executive officers to remain with the Company and fully execute our long-term strategies, which generally take a number of years to be fully implemented and reflected in our financial performance. Because RSUs are typically granted at a lower number of shares than an equivalent option grant, the dilutive impact of our long-term incentive awards as a whole is reduced by using RSUs.

2. *Performance-Based Restricted Stock Units*

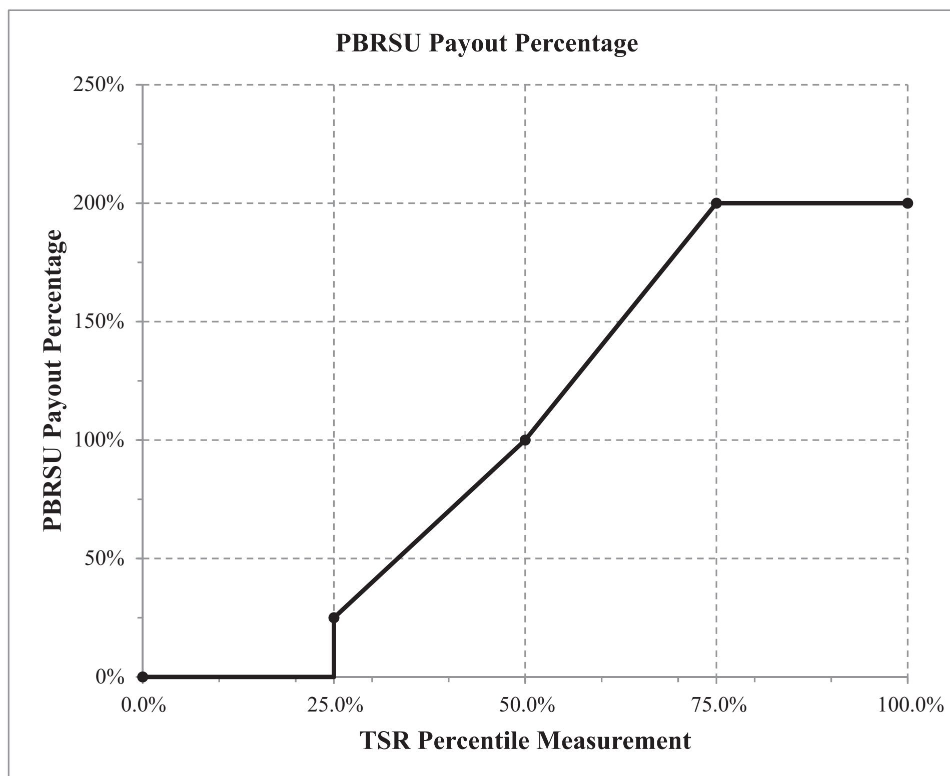
The Compensation Committee believes that the use of PBRSUs further promotes the achievement of our long-term strategic and operational objectives by strengthening the link of our Named Executive Officers' compensation to stockholder value creation.

PBRSU awards for fiscal year 2020 consisted of RSUs subject to a three-year performance period. The number of shares earned, relative to a target number of shares, will be based on the Company's total shareholder return ("TSR") measured relative to the TSR of the component companies of the Philadelphia Semiconductor Index ("Index"). Thus, the measurement entails determining our ranking among the companies that make up the components of the Index. The TSR determines a payout percentage ranging between 0–200%, which is then multiplied by the target number of PBRSUs.

To determine the payout percentage, the Company's TSR for the performance period is compared against that of the companies in the Index to yield a Percentile Measurement (for example, if our Company would rank in the 75th percentile of the performance of companies in the Index during the performance period, our Percentile Measurement would be 75%). The payout percentage is a function of the Percentile Measurement as follows:

- If our Percentile Measurement is less than 25%, the payout percentage is zero;
- Threshold performance: if our Percentile Measurement is 25%, the payout percentage is 25%;
- Target performance: if our Percentile Measurement is 50%, the payout percentage is 100%;
- Maximum performance: if our Percentile Measurement is 75% or higher, the payout percentage is 200%;
- A straight line connects the threshold, target, and maximum performance points; and
- If the Company's TSR is negative during the performance period, the maximum payout percentage is 100%.

In graphical form, the PBRSU payout percentage can be summarized as follows:



Within fiscal year 2017 (on November 2, 2016), PBRSUs were granted to Dr. Rhode, Mr. Case, and Mr. Thomas (at that time, Mr. Forsyth and Mr. Alberty were not executives). Over the following three-year performance period, our Percentile Measurement was 4%, leading to a payout percentage of 0%. Therefore, no corresponding shares vested during fiscal year 2020. This result comported with the Compensation Committee's intention of linking PBRSU payout with a relative level of achievement, based on shareholder return. Vesting amounts for PBRSUs granted for fiscal years 2018, 2019, and 2020 have yet to be determined.

For information concerning the number of shares underlying the PBRSUs granted for fiscal year 2020, see the "*Fiscal Year 2020 Grants of Plan-Based Awards Table*" below. For information concerning the value realized during fiscal year 2020 as a result of exercised options and vested stock awards, see the "*Fiscal Year 2020 Options Exercised and Stock Vested Table*" below.

3. Equity Awards and Comparisons to Compensation Market Data

As discussed above, the Compensation Committee's long-term incentive compensation philosophy is typically to grant awards to our executive officers that position their target total direct compensation approximately at the 50th percentile of the applicable Compensation Market Data, subject to other factors considered by the Compensation Committee. For example, the Compensation Committee also takes into account past increases or decreases in overall compensation and the number, and current unrealized value, of outstanding options and unvested RSUs and PBRSUs held by each executive officer to maintain an appropriate level of equity-based incentive for that individual. The Compensation Committee further considers the Company's overall performance, current equity burn rate, and dilution in setting the amount of equity available for grant to our executive officers. The size of the equity award to each executive officer is set by the Compensation Committee at a level that is intended to create a meaningful opportunity for stock price appreciation based upon the individual's position with the Company, current performance, anticipated future contribution based on that

performance, and ability to affect corporate and/or business unit results. The Compensation Committee looks collectively at all of these factors when making its decisions.

For fiscal year 2020, based on Compensia's analysis of competitive market practices and the other relevant factors summarized above, the Compensation Committee approved the grant of a mix of approximately one-third stock options, one-third RSUs, and one-third PBRSUs (all relative to an estimated accounting valuation when the awards were approved) to our Named Executive Officers. These equity awards were granted in November 2019 on the Company's Monthly Grant Date (see the section of this proxy statement immediately below entitled, "*Administrative and Timing Aspects of Our Equity Awards*").

The Compensation Committee also approved two additional equity grants for Named Executive Officers during fiscal year 2020. First, in April 2019, it approved stock options, RSUs, and PBRSUs to Mr. Alberty to reflect his promotion to Vice President, Mixed-Signal Products. These grants were consistent with Mr. Alberty's promoted role and title and were structured similarly to the awards granted to our Named Executive Officers in November 2019—the stock options, RSUs, and PBRSUs each had approximately the same estimated accounting valuation when the awards were approved. Second, in January 2020, the Compensation Committee approved an RSU grant to Mr. Forsyth to reflect his promotion to President and the additional responsibilities associated with that role. When determining this equity grant to Mr. Forsyth, the Compensation Committee considered supplementary market data specific to the role of president obtained from the Radford Global Technology Survey as well as the Company's executive retention objectives, particularly in view of competition for proven technology leaders. The vesting terms associated with the promotion-related awards were identical to the vesting terms associated with the awards granted to the Named Executive Officers in November 2019.

For fiscal year 2020 the target total direct compensation (the base salary plus target annual cash bonus plus the grant date fair value of equity awards) for our Named Executive Officers was:

Named Executive Officer	Base Salary	Target Annual FY20 Cash Bonus	FY20 RSUs	FY20 PBRSUs	FY20 Options	FY20 Target Total Direct Compensation
Jason P. Rhode, Chief Executive Officer and Director Nominee	$800,000	$1,200,000	$1,182,660	$946,128	$1,504,071	$5,632,859
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$410,865	$ 300,812	$ 260,528	$208,422	$ 342,929	$1,523,557
John M. Forsyth, President	$400,000	$ 262,500	$1,774,172	$219,392	$ 360,977	$3,017,040
Carl J. Alberty, Vice President, Mixed-Signal Products	$300,000	$ 213,750	$ 453,160	$362,016	$ 493,486	$1,822,412
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$382,200	$ 281,138	$ 260,528	$208,422	$ 342,929	$1,475,217

With respect to the applicable Compensation Market Data, the target total direct compensation of:

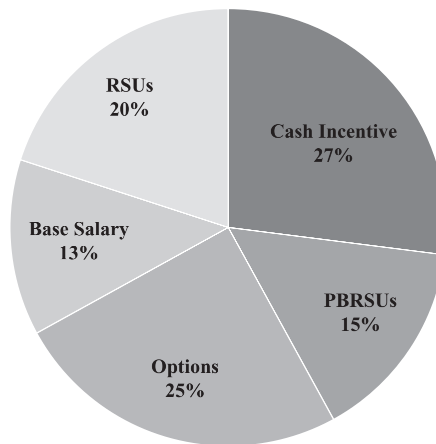
- Mr. Forsyth falls between the 50th and 75th percentile;
- Dr. Rhode, Mr. Alberty, and Mr. Thomas falls between the 25th and 50th percentile; and
- Mr. Case falls below the 25th percentile.

The Compensation Committee determined that the size of its equity awards for fiscal year 2020 was warranted and appropriate in view of the totality of circumstances, including the Company's performance over the 12 months prior to its compensation analysis and the numerous other factors

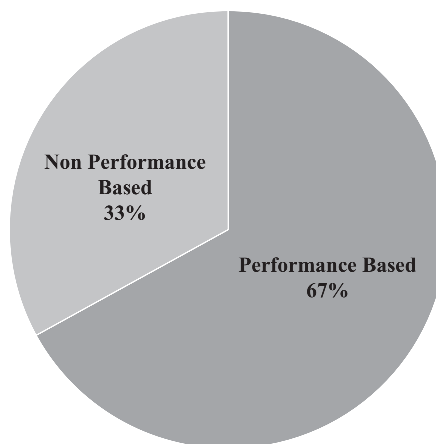
noted in this proxy statement as being considered by the Compensation Committee. For example, while for fiscal year 2019 each of our Named Executive Officers' target total direct compensation fell below the 25th percentile, the Compensation Committee approved grants for fiscal year 2020 that resulted in a closer alignment with the 50th percentile of the applicable Compensation Market Data and maintained internal pay equity. With respect to the CEO, the estimated accounting value of the approved grants was roughly the same as last year. The actual aggregate grant date fair value of those grants, however, was higher than last year's, as shown in the Fiscal Year 2020 Summary Compensation Table below, because of a difference between the estimated value at the time of the compensation analysis versus the actual fair value determined at the time of grant.

The following charts are based on figures presented in the Fiscal Year 2020 Summary Compensation Table below and show the primary components of our Named Executive Officers' fiscal year 2020 compensation (excluding values listed in the "All Other Compensation" column), along with the performance-based percentage of that compensation.

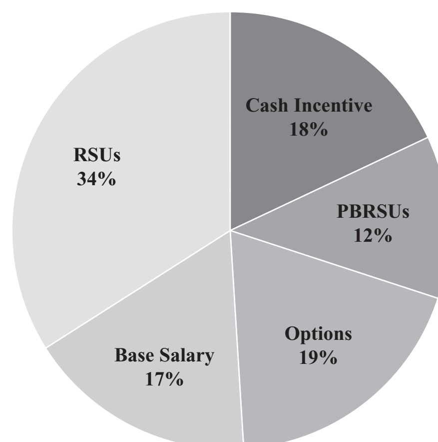
CEO Compensation, FY2020



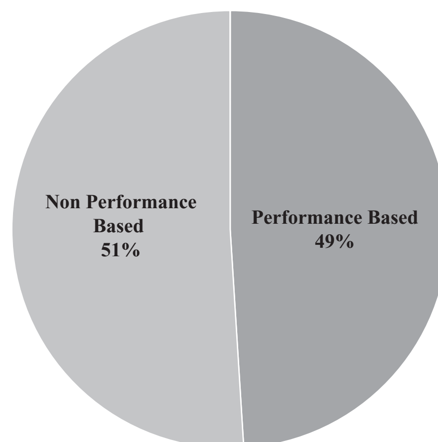
CEO Percentage of Performance-Based Compensation, FY2020



Named Executive Officer (other than CEO) Compensation, FY2020



Named Executive Officer (other than CEO Percentage of Performance-Based Compensation, FY2020



In the charts immediately above, the following were considered performance-based compensation: cash incentive awards, stock option awards (which provide a potential return only if the market price of our common stock appreciates over the option term), and PBRSUs.

4. Administrative and Timing Aspects of Our Equity Awards

New employee equity awards and special stock awards are granted and priced on the first Wednesday of each calendar month (the "Monthly Grant Date"). The purpose of this process is to minimize the administrative burdens that would be created with multiple monthly grant dates and to ensure that all required approvals are obtained on or before the Monthly Grant Date. If the Monthly Grant Date occurs on a Company holiday, or on other days that the Company or Nasdaq is closed for business, the Monthly Grant Date will be the next regularly scheduled business day. The Compensation Committee

does not have any program, plan, or practice to time option grants or other stock awards to our executive officers in coordination with the release of material non-public information.

Annual equity awards to employees are granted in November so that the vesting of RSU and PBRSU grants will likely take place during a period after the Company has reported its financial earnings. Annual equity awards to executive officers were granted in November for fiscal year 2020, but starting in fiscal year 2021, executive grants are expected to take place sometime during our fourth quarter (January–March) to better align with our fiscal-year calendar.

5. Stock Ownership Guidelines

Stock ownership guidelines apply to our CEO, non-employee directors, and executive officers to more closely link their interests with those of our other stockholders. Within the later of five years from the 2016 Annual Meeting or five years from his or her appointment as an executive officer or initial election to the Board, each individual subject to the guidelines is expected to accumulate and maintain an ownership position in Company shares that is the lesser of the following:

CEO:	Either three times annual salary or 60,000 shares
Other Executive Officers:	Either one time annual salary or 10,000 shares
Non-employee Directors:	Either three times annual cash retainer or 4,500 shares

Additional details concerning our stock ownership guidelines are provided in our Corporate Governance Guidelines, which are available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

D. Perquisites and Other Benefits

Our CEO and other executive officers are eligible to participate in our retirement, welfare, and health benefit programs to the same extent as all other salaried employees based in the United States or United Kingdom, as applicable. For example, as applicable to the United States or United Kingdom, we provide medical, dental and vision insurance, a retirement/401(k) plan, life and disability insurance, flexible spending accounts, and other plans and programs. Although perquisites are not a material part of our compensation programs for executive officers and are generally not provided, we do reimburse up to $500 for an annual physical examination for each of our executive officers to the extent the physical examination is not covered under our standard health care plans.

From time to time, employees may request chartered aircraft services to facilitate travel that is directly and integrally related to the performance of their job duties and where the use of a chartered plane will increase efficiency. Occasionally, a spouse or immediate family members may accompany the employee on these flights. When this occurs, we require the employee to pay the greater of the incremental cost, if any, to accommodate such guests on the flight, or the imputed income amount determined using the IRS Standard Industry Fare Level (SIFL) rate. Accordingly, there is no aggregate incremental cost to the Company for accompaniment on chartered business flights, and no amounts for such guests' travel are included in our Summary Compensation Table for any Named Executive Officer.

VI. Post-Employment Compensation

We do not maintain separate individual severance or change of control agreements with our Named Executive Officers; however, on July 26, 2007, after a review of other companies' practices with respect to management severance plans, the Compensation Committee approved and adopted an Executive Severance and Change of Control Plan, which was amended and restated as of April 1, 2018 (the "2007 Severance Plan"). The 2007 Severance Plan provides certain payments and other benefits to

eligible executive officers ("Eligible Executives"), including each of our Named Executive Officers, whose employment is involuntarily terminated by the Company (other than for cause) or whose employment terminates following a change of control of the Company. The 2007 Severance Plan originally became effective on October 1, 2007. Details and specific terms of the Severance Plan are set forth in the section of this proxy statement entitled, *"Potential Payments upon Termination or Change of Control."*

We maintain the 2007 Severance Plan because we believe it is consistent with the practices of peer companies and helps ensure that we are able to attract and retain top talent. Further, we believe that our plan provides a level of stability to Eligible Executives during volatile business conditions that have historically existed in our industry so that they remain focused on their responsibilities and the long-term interests of the Company during such times.

The 2007 Severance Plan provides for "double-trigger" rather than "single-trigger" payment and benefits in the event of a change of control of the Company. In other words, payments to Eligible Executives are contingent upon an involuntarily termination of employment following a change of control. This plan design is intended to provide a level of security to Eligible Executives negotiating a transaction to avoid any misalignment with the interests of our stockholders without resulting in a windfall to Eligible Executives who remain employed following such a transaction.

VII. Clawback Policy and Prohibition Against Short Selling, Hedging, and Pledging

Effective May 25, 2018, our executive officers became subject to a clawback policy entitled, "Policy Regarding Recoupment of Certain Incentive Compensation" that provides for forfeiture of excess incentive compensation in the event of misconduct resulting in a restatement of financial statements. The clawback policy governs all incentive compensation (cash or equity-based compensation) that is granted, earned, or vested based upon the achievement of financial or stock performance metrics, and which was granted following the adoption of the clawback policy and paid in the preceding three-year period from the time the Company determines that it must restate its financial statements.

The Company prohibits directors, officers, and employees (or their designees) from investing in derivative securities based on or related to the Company's common stock, engaging in any short sale or hedging transactions involving the Company's common stock, and pledging any shares of the Company's common stock as collateral for any margin account or any other similar account or debt instrument where a sale of the Company's stock could occur. Prohibited hedging transactions generally involve the purchase of any financial instrument that will hedge or offset, or is designed to hedge or offset, any decrease in the market value of the Company's common stock. Our policy does not restrict the ownership of Company-granted equity awards, such as stock options, restricted stock, RSUs, PBRSUs, or other equity awards issued by the Company.

VIII. Tax Considerations Related to Compensation

Section 162(m) of the Internal Revenue Code was amended by the Tax Cuts and Jobs Act of 2017 (the "Tax Act") effective for taxable years beginning after December 31, 2017. Section 162(m) generally disallows a publicly-held corporation a deduction for federal income tax purposes of remuneration in excess of $1 million paid in any taxable year to its covered employees. Although the exception for "performance-based compensation" was repealed by the Tax Act, remuneration paid pursuant to a written binding contract in effect on November 2, 2017, and not materially modified after that date, will not be subject to the deduction limitation if specified requirements are met. For all other compensation, amounts in excess of $1 million paid to any covered employee generally will not be deductible.

The Compensation Committee considers deductibility, so long as it is reasonable and consistent with the Company's overall compensation and retention objectives, when designing our executive compensation program. However, the Compensation Committee may award compensation that is not deductible if it determines that doing so is appropriate and in the best interests of the Company and its stockholders. Additionally, the Compensation Committee cannot guarantee that past compensation, or compensation granted in the future, generally designed to be deductible will in fact be deductible.

Section 280G of the IRC disallows the deduction of any "excess parachute payment" paid in connection with certain events. A portion of amounts payable under the 2007 Severance Plan may constitute "excess parachute payments" to our executive officers. Accordingly, the 2007 Severance Plan provides for a modified Section 280G "cut back" pursuant to which payments and benefits under the 2007 Severance Plan will be reduced in the event such reduction produces a greater after-tax benefit to an executive officer. See the section of this proxy statement entitled, "*Potential Payments Upon Termination or Change of Control*."

IX. Compensation Committee Interlocks and Insider Participation

The Compensation Committee currently consists of Timothy R. Dehne (Chair), John C. Carter, and David J. Tupman. During fiscal year 2020, none of our executive officers served on the board of directors or compensation committee of another company whose executive officer served on our Board or Compensation Committee. The members of the Compensation Committee are considered independent under the Board and the Compensation Committee independence standards as set forth in the Corporate Governance Guidelines, which are available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*.

COMPENSATION COMMITTEE REPORT

We, the Compensation Committee of the Board of Directors, have reviewed and discussed the Compensation Discussion and Analysis ("CD&A") required by Item 402(b) of Regulation S-K with management of the Company. Based on such review and discussion, we have recommended to the Board of Directors that the CD&A be included as part of this proxy statement.

Submitted by the Compensation Committee of the Board of Directors:
Timothy R. Dehne, Chair
John C. Carter
David J. Tupman

CONSIDERATION OF RISK RELATED TO COMPENSATION PROGRAMS

The Compensation Committee structures our executive compensation program to provide incentives to appropriately reward our executive officers without undue risk taking. Our approach is similar for the compensation practices and polices applicable to all employees throughout the Company. Overall, we believe that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. In general, we attempt to align our compensation programs with the long-term interests of the Company and its stockholders and mitigate the likelihood of inducing excessive risk-taking behavior. More specifically, we believe the following program features and policies help to mitigate the likelihood of inducing excessive risk-taking behavior:

- The Company pays a mix of fixed and variable compensation, with variable compensation tied both to short-term objectives and the long-term value of our stock price.

- Our annual cash incentive program is based on a mix of bottom-line objectives (e.g., operating profit goals) and top-line objectives (e.g., revenue growth) in order to avoid the risk of excessive focus on one goal or performance measure.
- We review the short-term performance incentive targets used in our incentive program every six months to ensure alignment with our business plans.
- To prevent the risk that our annual cash incentive program pays bonuses despite weak short-term performance, no payout may occur without a threshold level of operating profit performance being met.
- The aggregate payout under our annual cash incentive program for our executive and leadership team is capped at a percentage of overall operating profit to prevent the risk of excessive payout of the Company's operating profit.
- The individual payout under our annual cash incentive program for our executive and leadership team is further capped so that no participant may receive a payout of greater than 250% of his or her target payout.
- Long-term incentives are awarded to our executive officers in the form of equity awards that vest or are earned over a significant period of time, typically three or four years. The vesting or performance period, as the case may be, is intended to align the interests of our executive officers with the long-term interests of stockholders and to provide an incentive for our executive officers to remain with the Company.
- Long-term incentives are typically granted annually so our executive officers will have unvested awards that may decrease in value if our business is not managed with long-term goals in mind.
- We use a mix of stock options, RSUs, and PBRSUs to create an overall long-term incentive package that aligns with stockholder interests, appropriately balances risk and performance, and provides competitive incentives for the purpose of executive retention.
- We use performance-based equity based on the Company's TSR as a means to align a portion of an executive's compensation with the interests of our stockholders. In addition, we cap the payout of these awards at a 100% payout if the Company's TSR is negative over the performance period (typically, three years).
- Our CEO, non-employee directors, and executive officers of the Company are obligated to meet certain stock ownership guidelines that require accumulation and maintenance of a prescribed value or number of shares.
- The Compensation Committee retains an independent compensation consultant and uses market data, when available, to inform our focus on pay for performance.
- Our executive officers are subject to a clawback policy ("Policy Regarding Recoupment of Certain Incentive Compensation") that provides for forfeiture of excess incentive compensation that was awarded on or after May 25, 2018 in the event of misconduct resulting in a restatement of financial statements.

EXECUTIVE COMPENSATION TABLES

Fiscal Year 2020 Summary Compensation Table

The following table provides certain summary information concerning the compensation awarded to, earned by, or paid to our Named Executive Officers. The table sets forth compensation for services rendered by our Named Executive Officers for the fiscal years ended March 28, 2020; March 30, 2019; and March 31, 2018; as applicable.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Stock Awards[1] ($) (e)	Option Awards[1] ($) (f)	Non-Equity Incentive Plan Compensation[2] ($) (g)	All Other Compensation ($) (i)	Total ($) (j)
Jason P. Rhode, Chief Executive Officer and Director Nominee	2020 2019 2018	$800,000 800,000 775,962	$2,128,788 2,163,850 2,660,200	$1,504,072 1,276,439 1,490,394	$1,666,954 660,245 1,003,856	$11,058 [3] 10,787 10,792	$6,110,872 4,911,321 5,941,204
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	2020 2019 2018	$400,631 391,300 378,175	$ 468,950 358,663 442,348	$ 342,930 221,251 258,337	$ 420,984 161,471 245,506	$14,483 [4] 14,154 14,180	$1,647,978 1,146,839 1,338,546
John M. Forsyth, President	2020	$325,077	$1,993,564	$ 360,976	$ 380,581	$62,785 [5]	$3,122,983
Carl J. Alberty, Vice President, Mixed-Signal Products	2020	$284,308	$ 815,176	$ 493,485	$ 301,707	$11,009 [6]	$1,905,685
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	2020 2019 2018	$374,511 367,500 359,087	$ 468,950 378,227 466,164	$ 342,930 229,760 268,272	$ 392,878 151,650 230,573	$11,904 [7] 11,315 11,251	$1,591,173 1,138,452 1,335,347

(1) The amounts reported in the column entitled "Stock Awards" represent the RSUs and PBRSUs granted to our Named Executive Officers. The amounts reported in the column entitled "Option Awards" represent the stock options granted to our Named Executive Officers. In each case, the value reported is the aggregate grant date fair value calculated pursuant to FASB ASC Topic 718, excluding any assumptions regarding potential forfeitures, and with respect to PBRSUs this valuation entails a Monte Carlo calculation. The assumptions underlying calculations under FASB ASC Topic 718 are discussed under Note 10, Equity Compensation, in our Annual Report on Form 10-K for the fiscal year ended March 28, 2020.

(2) This column, entitled "Non-Equity Incentive Plan Compensation," represents the amounts earned for each fiscal year under the Incentive Plan, which is described in further detail in the "*Compensation Discussion and Analysis*" section of this proxy statement. Payments earned in the second semiannual period of a fiscal year are included in this table for that fiscal year even though they were paid in the following fiscal year.

(3) This amount includes $9,500 in matched contributions under our 401(k) plan, $1,112 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Dr. Rhode, and $446 in tax gross-ups paid to all employees of the Company with respect to the Company's long-term disability plan.

(4) This amount includes $9,681 in matched contributions under our 401(k) plan, $4,356 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Mr. Case, and $446 in tax gross-ups paid to all employees of the Company with respect to the Company's long-term disability plan.

(5) This amount includes $50,191 in relocation expenses, $11,158 in matched contributions under our 401(k) plan, $990 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Mr. Forsyth, and $446 in tax gross-ups paid to all employees of the Company with respect to the Company's long-term disability plan.

(6) This amount includes $9,962 in matched contributions under our 401(k) plan, $624 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Mr. Alberty, and $423 in tax gross-ups paid to all employees of the Company with respect to the Company's long-term disability plan.

(7) This amount includes $9,636 in matched contributions under our 401(k) plan, $1,822 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Mr. Thomas, and $446 in tax gross-ups paid to all employees of the Company with respect to the Company's long-term disability plan.

Fiscal Year 2020 Grants of Plan-Based Awards Table

The following table sets forth certain information with respect to grants of plan-based awards for the fiscal year ended March 28, 2020, to our Named Executive Officers. All of the stock options, RSUs, and PBRSUs that are reflected in the table were granted under our 2018 Long Term Incentive Plan.

The amounts reported in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column below set forth potential payouts under the Company's Incentive Plan, which is described further in the "*Compensation Discussion and Analysis*" section of this proxy statement.

The amounts reported in the "Estimated Future Payouts Under Equity Incentive Plan Awards" column below set forth potential payouts that are associated with PBRSUs. The PBRSUs will vest as to the number of shares earned on the third anniversary of the grant date. The number of PBRSUs that vest, if any, is based on Company performance during this three-year period and is determined relative to the target number of shares as described further in the "*Compensation Discussion and Analysis*" section of this proxy statement. Holders of PBRSUs are not eligible to receive any dividends or dividend equivalents with respect to outstanding PBRSUs.

Each stock option has a maximum term of 10 years, subject to earlier termination if the optionee's services are terminated. Unless noted, the exercisability of options vests with respect to 25% of the shares underlying the option one year after the date of grant and with respect to the remaining shares underlying the option thereafter in 36 equal monthly installments. The exercise price of each stock option is equal to the closing market price of our common stock as reported on Nasdaq on the date of grant.

The RSUs will vest with respect to 100% of the shares underlying the award on the third anniversary of the grant date. Holders of RSUs are not eligible to receive any dividends or dividend equivalents with respect to outstanding RSUs.

Special accelerated vesting provisions applicable to the equity awards upon a Named Executive Officer's termination of employment or upon a change of control of the Company are described in the section of this proxy statement entitled, "*Potential Payments Upon Termination or Change of Control*."

Name	Grant Date[1]	Approval Date[1]	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[2]			Estimated Future Payouts Under Equity Incentive Plan Awards[3]			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards[4]
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)		
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Jason P. Rhode, Chief Executive Officer and Director Nominee	11/6/2019	11/1/2019							17,250			$1,182,660
	11/6/2019	11/1/2019				3,450	13,800	27,600				$ 946,128
	11/6/2019	11/1/2019								50,000	$68.56	$1,504,071
			$300,000	$1,200,000	$3,000,000							
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	11/6/2019	11/1/2019							3,800			$ 260,528
	11/6/2019	11/1/2019				760	3,040	6,080				$ 208,422
	11/6/2019	11/1/2019								11,400	$68.56	$ 342,929
			$ 77,037	$ 308,149	$ 770,372							
John M. Forsyth, President	11/6/2019	11/1/2019							4,000			$ 274,240
	11/6/2019	11/1/2019				800	3,200	6,400				$ 219,392
	11/6/2019	11/1/2019								12,000	$68.56	$ 360,977
	2/5/2020	1/27/2020							18,815			$1,499,932
			$ 75,000	$ 300,000	$ 750,000							
Carl J. Alberty, Vice President, Mixed-Signal Products	4/3/2019	3/6/2019							5,000			$ 213,200
	4/3/2019	3/6/2019				800	3,200	6,400				$ 170,048
	4/3/2019	3/6/2019								10,600	$42.64	$ 177,629
	11/6/2019	11/1/2019							3,500			$ 239,960
	11/6/2019	11/1/2019				700	2,800	5,600				$ 191,968
	11/6/2019	11/1/2019								10,500	$68.56	$ 315,857
			$ 56,250	$ 225,000	$ 562,500							
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	11/6/2019	11/1/2019							3,800			$ 260,528
	11/6/2019	11/1/2019				760	3,040	6,080				$ 208,422
	11/6/2019	11/1/2019								11,400	$68.56	$ 342,929
			$ 71,663	$ 286,650	$ 716,625							

(1) The Company's policy is to grant equity awards on the first Wednesday of the month (the "Monthly Grant Date") after the Compensation Committee approves the award. If the Monthly Grant Date occurs on a Company holiday, or on other days that the Company or Nasdaq is closed for business, the Monthly Grant Date is the next regularly scheduled business day when the Company and Nasdaq are open for business.

(2) The amounts reported in this column reflect potential payment amounts under the Incentive Plan. Actual amounts earned under this plan are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above. Semiannual payments may be made under the Incentive Plan only if certain financial prerequisites, such as operating profit margin thresholds, are achieved, as described further in the "*Compensation Discussion and Analysis*" section of this proxy statement. The threshold amounts reported in this column reflect the minimum amount payable assuming achievement of the applicable financial-result thresholds (25% of the target amount). The target amounts reported above reflect the target amount awarded to each Named Executive Officer. The maximum amounts represent 250% of the target amount.

(3) The amounts reported in this column reflect the number of shares underlying potential payment amounts for PBRSUs under the Company's Performance-Based Restricted Stock Unit program. The number of PBRSUs that will actually be earned and vest, if any, is based on Company performance during a three-year performance period and is determined as further described in the "*Compensation Discussion and Analysis*" section of this proxy statement.

(4) Amounts in this column represent the aggregate grant date fair value of the equity awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures, and with respect to PBRSUs this valuation entails a Monte Carlo calculation. The assumptions underlying calculations under FASB ASC Topic 718 are discussed under Note 10, Equity Compensation, in the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2020.

Fiscal Year 2020 Outstanding Equity Awards at Fiscal Year-End Table

The following table provides information concerning the outstanding equity award holdings of our Named Executive Officers as of March 28, 2020.

	Option Awards					Stock Awards				
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable[(1)] (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date[(2)]	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested[(3)] (#)	Market Value of Shares or Units of Stock That Have Not Vested[(4)] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[(5)] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(6)] ($)
(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)
Jason P. Rhode, Chief Executive Officer and Director Nominee	110,000	—		$ 38.99	10/3/2022					
	97,148	—		$ 23.34	10/2/2023					
	123,063	—		$ 31.25	11/4/2025					
	62,500	12,500		$ 54.65	11/2/2026					
	43,750	31,250		$ 55.72	11/1/2027					
	25,000	50,000		$ 41.49	11/7/2028					
	—	50,000		$ 68.56	11/6/2029					
						11/1/2017	25,000	$1,548,000		
						11/1/2017			5,000	$309,600
						11/7/2018	25,000	$1,548,000		
						11/7/2018			5,000	$309,600
						11/6/2019	17,250	$1,068,120		
						11/6/2019			3,450	$213,624
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	5,000	—		$ 38.99	10/3/2022					
	4,666	—		$ 23.34	10/2/2023					
	10,957	—		$ 20.37	10/1/2024					
	15,780	—		$ 31.25	11/4/2025					
	10,833	2,167		$ 54.65	11/2/2026					
	7,583	5,417		$ 55.72	11/1/2027					
	4,333	8,667		$ 41.49	11/7/2028					
	—	11,400		$ 68.56	11/6/2029					
						11/1/2017	4,300	$ 266,256		
						11/1/2017			800	$ 49,536
						11/7/2018	4,300	$ 266,256		
						11/7/2018			800	$ 49,536
						11/6/2019	3,800	$ 235,296		
						11/6/2019			760	$ 47,059
John M. Forsyth, President	2,083	14,063		$ 38.15	6/6/2028					
	2,166	8,334		$ 41.49	11/7/2028					
	—	12,000		$ 68.56	11/6/2029					
						11/1/2017	8,000	$ 495,360		
						6/6/2018	8,250	$ 510,840		
						6/6/2018			1,625	$100,620
						11/7/2018	4,125	$ 255,420		
						11/7/2018			775	$ 47,988
						11/6/2019	4,000	$ 247,680		
						11/6/2019			800	$ 49,536
						2/5/2020	18,815	$1,165,025		

	Option Awards					Stock Awards				
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable(1) (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date(2)	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested(3) (#)	Market Value of Shares or Units of Stock That Have Not Vested(4) ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(5) (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(6) ($)
(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)
Carl J. Alberty, Vice President, Mixed-Signal Products	—	10,600		$ 42.64	4/3/2029					
	—	10,500		$ 68.56	11/6/2029					
						11/1/2017	8,000	$ 495,360		
						11/7/2018	8,000	$ 495,360		
						4/3/2019	5,000	$ 309,600		
						4/3/2019			800	$ 49,536
						11/6/2019	3,500	$ 216,720		
						11/6/2019			700	$ 43,344
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	12,735	—		$ 23.34	10/2/2023					
	5,043	—		$ 20.37	10/1/2024					
	3,200	—		$ 31.25	11/4/2025					
	11,250	2,250		$ 54.65	11/2/2026					
	7,875	5,625		$ 55.72	11/1/2027					
	4,500	9,000		$ 41.49	11/7/2028					
	—	11,400		$ 68.56	11/6/2029					
						11/1/2017	4,500	$ 278,640		
						11/1/2017			850	$ 52,632
						11/7/2018	4,500	$ 278,640		
						11/7/2018			850	$ 52,632
						11/6/2019	3,800	$ 235,296		
						11/6/2019			760	$ 47,059

(1) All outstanding stock options vest over four years, with one-year cliff vesting for 25% of the options on the first anniversary of the grant date, and 1/36 of the remaining options vesting on a monthly basis over the following three years.
(2) Options have a maximum 10-year term. Therefore, the grant date is 10 years prior to the Option Expiration Date listed in this column.
(3) This column corresponds to RSUs. Outstanding RSUs will vest with respect to 100% of the shares underlying the award on the third anniversary of the grant date.
(4) The market value of unvested RSUs reported in column (h) is calculated by multiplying the number of shares of common stock subject to each award reported in column (g) by the closing market price of common stock on March 27, 2020, (the last trading day of fiscal year 2020), which was $61.92 per share.
(5) This column corresponds to the threshold number of PBRSUs. The number of shares that vest, if any, will be based on Company performance and will be relative to the target number of shares as further described in the "*Compensation Discussion and Analysis*" section of this proxy statement. Such vesting will occur on the third anniversary of the grant date.
(6) The market value of unvested PBRSUs reported in column (j) is calculated by multiplying the threshold number of shares subject to each award reported in column (i) by the closing market price of common stock on March 27, 2020, (the last trading day of fiscal year 2020), which was $61.92 per share.

Fiscal Year 2020 Options Exercised and Stock Vested Table

The following table provides information on the value realized by each Named Executive Officer as a result of options that were exercised and stock awards that vested during fiscal year 2020.

	Option Awards		Stock Awards	
Name (a)	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise[1] ($) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting[2] ($) (e)
Jason P. Rhode, Chief Executive Officer and Director Nominee	361,688	$17,498,764	25,000	$1,810,750
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	27,239	$ 1,201,505	4,300	$ 311,449
John M. Forsyth, President	10,854	$ 347,639	8,000	$ 579,440
Carl J. Alberty, Vice President, Mixed-Signal Products	—	$ —	8,500	$ 615,655
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	66,749	$ 3,349,501	4,500	$ 325,935

(1) The value realized on the exercise of stock options was computed by determining the difference between the market price of our common stock underlying each option on the date of exercise and the exercise price of the options for each share exercised multiplied by the number of options exercised (column b).

(2) The value realized on the vesting of stock awards was computed by multiplying the number of shares acquired on vesting (column d) by the market price of our common stock on the date of vesting.

Pension Benefits and Nonqualified Deferred Compensation

We do not sponsor or maintain either a defined benefit pension plan or a nonqualified deferred compensation plan for the benefit of our executive officers.

Potential Payments upon Termination or Change of Control

We do not maintain individual employment, severance, or change of control agreements with our Named Executive Officers; however, we do maintain the 2007 Severance Plan, which provides for certain payments and benefits to individuals employed by the Company and its subsidiaries at the level of Chief Executive Officer and Vice President or above and reporting directly to the Chief Executive Officer (“Eligible Executives”) in the event that the employment of such an executive officer is involuntarily terminated other than for cause or in certain circumstances following a change of control of the Company. The Named Executive Officers may also receive certain benefits under the Incentive Plan in the event of certain terminations of employment or change of control transactions that occur prior to the payment of the award for the applicable fiscal year.

2007 Severance Plan

Each of our Named Executive Officers is considered an Eligible Executive under the 2007 Severance Plan. We maintain the 2007 Severance Plan because we believe it helps to ensure that we are able to attract and retain top talent. Further, we believe that the 2007 Severance Plan provides a level of stability for our executive officers during volatile business conditions that have historically existed so that they remain focused on their responsibilities and the long-term interests of the Company during such times.

The 2007 Severance Plan provides that, in the event of an Eligible Executive's involuntary termination of employment by the Company other than for "cause" (as such term is defined below for purposes of the 2007 Severance Plan) he or she will be eligible to receive: (i) a continuation of base salary for a period of up to six months (up to 12 months in the case of our CEO) following termination of employment, and (ii) payment in full of a reasonable estimate of COBRA premiums for three months (collectively, the "Termination Payment").

The 2007 Severance Plan further provides that, if an Eligible Executive's employment is terminated either by the Company without "cause" or by the Eligible Executive for "good reason" within 12 months following a "change of control" (each term as defined below for purposes of the 2007 Severance Plan) of the Company, he or she will be eligible to receive a "Change of Control Termination Payment," which is comprised of: (i) a lump sum payment equal to 12 months' base salary (24 months in the case of our CEO), (ii) acceleration in full of any unvested stock options or any other securities or similar incentive awards that have been granted or issued to him or her as of the employment termination date, and (iii) payment in full of a reasonable estimate of COBRA premiums for 12 months. In addition, the Eligible Executive will have until six months from the employment termination date to exercise any vested options, except that no option will be exercisable after the option's original expiration date.

In the event of an Eligible Executive's death or termination of employment due to "disability" (as such term is defined below for purposes of the 2007 Severance Plan), the Eligible Executive or his or her estate, as applicable, will receive the Termination Payment described above. If the death or termination due to disability has occurred within 12 months following a change of control of the Company, he or she or his or her estate, as applicable, will receive the Change of Control Termination Payment described above.

For purposes of the 2007 Severance Plan:

- "cause" means (i) gross negligence or willful misconduct in the performance of an executive officer's duties; (ii) a material and willful violation of any federal or state law that if made public would injure the business or reputation of the Company; (iii) a refusal or willful failure to comply with any specific lawful direction or order of the Company or the material policies and procedures of the Company including but not limited to the Company's Code of Conduct and the Company's Insider Trading Policy as well as any obligations concerning proprietary rights and confidential information of the Company; (iv) a conviction (including a plea of *nolo contendere*) of a felony, or of a misdemeanor that would have a material adverse effect on the Company's goodwill if the executive officer were to continue to be retained as an employee of the Company; or (v) a substantial and continuing willful refusal to perform duties ordinarily performed by an employee in the same position and having similar duties as the executive officer.
- "good reason" means: (i) without the executive officer's express written consent, a material reduction of the executive officer's duties, authority, or responsibilities relative to the executive's duties, authority, or responsibilities as in effect immediately prior to such

reduction; (ii) a material reduction by the Company in the base salary of an executive officer as in effect immediately prior to such reduction; or (iii) the relocation of an executive officer's principal work location to a facility or a location more than 50 miles from executive officer's then present principal work location. "Good reason" shall not exist unless the executive officer provides written notice of the circumstances alleged to give rise to good reason within 30 days of their occurrence and the Company (or our successor) fails to cure such circumstances within 30 days.

- "disability" means a mental or physical disability, illness or injury, evidenced by medical reports from a duly qualified medical practitioner, which renders an Eligible Executive unable to perform any one or more of the essential duties of his or her position after the provision of reasonable accommodation, if applicable, for a period of greater than ninety (90) days within a one year period.
- "change of control" means the occurrence of one or more of the following with respect to the Company: (i) the acquisition by any person (or related group of persons), whether by tender or exchange offer made directly to the Company's stockholders, open market purchases or any other transaction or series of transactions, of stock of the Company that, together with stock of the Company held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the then outstanding stock of the Company entitled to vote generally in the election of the members of the Company's Board of Directors; (ii) a merger or consolidation in which the Company is not the surviving entity, except for a transaction in which both (A) securities representing more than 50% of the total combined voting power of the surviving entity are beneficially owned (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934), directly or indirectly, immediately after such merger or consolidation by persons who beneficially owned common stock of the Company immediately prior to such merger or consolidation, and (B) the members of the Board of Directors immediately prior to the transaction (the "Existing Board") constitute a majority of the Board of Directors immediately after such merger or consolidation; (iii) any reverse merger in which the Company is the surviving entity but in which either (A) persons who beneficially owned, directly or indirectly, common stock of the Company immediately prior to such reverse merger do not retain immediately after such reverse merger direct or indirect beneficial ownership of securities representing more than 50% of the total combined voting power of the Company's outstanding securities or (B) the members of the existing Board do not constitute a majority of the Board of Directors immediately after such reverse merger; or (iv) the sale, transfer or other disposition of all or substantially all of the assets of the Company (other than a sale, transfer or other disposition to one or more subsidiaries of the Company).

The 2007 Severance Plan may not be amended or terminated without the consent of any Eligible Executive during the one year prior to or following the occurrence of a change of control, if such amendment would be adverse to the interest of such Eligible Executive. If any payment or benefit under the 2007 Severance Plan would be a "parachute payment" (within the meaning of Section 280G of the IRC) and would therefore result in the imposition of an excise tax, an Eligible Executive's payments and benefits will not exceed the amount that produces the greatest after-tax benefit to the Eligible Executive.

To receive payments and benefits under the 2007 Severance Plan, an Eligible Executive must execute a release of all claims against the Company. If the Eligible Executive is considered a "specified employee" under Section 409A of the IRC at the time of his or her termination of employment, any amounts payable under the 2007 Severance Plan will be delayed for a period of six months if it is

determined that such a delay is necessary in order to prevent the payment from imposing excise taxes on the executive officer.

Incentive Plan

In addition, a participant in the Incentive Plan, as described further in the "*Compensation Discussion and Analysis*" section of this proxy statement, may also receive payments upon termination of employment or a change of control of the Company. Pursuant to the Incentive Plan, a participant, including each of our Named Executive Officers, must be continuously employed through the last day of the applicable semiannual performance period and through the date that cash bonuses under the Incentive Plan for such semiannual performance period are actually paid. However, participants whose employment terminates due to death or "disability" during a semiannual performance period will be eligible to receive a pro rata cash bonus payment based on the number of days the participant was employed during that semiannual performance period and the Company's actual performance during the semiannual performance period. The pro rata bonus amount will be paid to the terminated participant on or before the 15th day of the third month after the later of (i) the last day of the calendar year in which such participant died or incurred a "disability" or (ii) the last day of the Company's taxable year in which such participant died or incurred a "disability." Payment under the Incentive Plan would no longer be received if a participant's employment was terminated for some other reason during a semiannual performance period.

In addition, if a change of control of the Company occurs and our successor does not assume or comparably replace the Incentive Plan, each participant will receive a pro rata cash payment of his or her target bonus, based on the number of calendar days completed in the current semiannual performance period prior to the occurrence of the change of control.

For purposes of the Incentive Plan:

- "disability" means total and permanent disability as defined in accordance with the Company's Long-Term Disability Plan.
- "change of control" means (i) the sale, lease, conveyance or other disposition of all or substantially all of the Company's assets as an entirety or substantially as an entirety to any person, entity or group of persons acting in concert, (ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becoming the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities, or (iii) consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that 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 50% of the voting power represented by the voting securities of the Company or such surviving entity (or parent) outstanding immediately after such merger or consolidation.

The discussion and tables below present an estimate of the amount of compensation and/or other benefits payable to our Named Executive Officers in the event of their termination of employment and/or in the event of a change of control of the Company. The amounts disclosed assume that such termination and/or the occurrence of such change of control was effective as of March 28, 2020, the last day of fiscal year 2020. We also assume that each Named Executive Officer was continuously employed by the Company and under the 2007 Severance Plan and the Incentive Plan throughout at least the second half of fiscal year 2020. The amounts below have been calculated using assumptions,

such as these, that we believe to be reasonable, along with further assumptions that are described in more detail below. The actual amounts that would be paid under each scenario depend on various factors, which may or may not exist at the time a Named Executive Officer's employment is actually terminated and/or a change of control actually occurs. Therefore, such amounts and disclosures should be considered "forward-looking statements."

Conditions Involving Involuntary Termination of Employment or Death/Disability

The estimated amount payable to each of our Named Executive Officers pursuant to the 2007 Severance Plan and the Incentive Plan in the event of an involuntary termination of employment by the Company other than for cause, or due to the Named Executive Officer's death or disability, in each case, assuming such termination occurred on March 28, 2020 (and was not following a change in control), and in view of the other assumptions above, is set forth in the table below. A termination of employment will not result in the acceleration of vesting of outstanding equity awards, therefore there is no value associated with stock options, RSUs, or PBRSUs in the table below.

Name	Salary Continuation[1]	Health Benefits (up to 3 months)[2]	Cash Bonus Under Incentive Plan[3]	Total
Jason P. Rhode, Chief Executive Officer and Director Nominee	$800,000	$4,349	$600,000	$1,404,349
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$205,433	$4,349	$154,074	$ 363,856
John M. Forsyth, President	$200,000	$5,919	$150,000	$ 355,919
Carl J. Alberty, Vice President, Mixed-Signal Products	$150,000	$3,656	$112,500	$ 266,156
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$191,100	$5,919	$143,325	$ 340,344

(1) The salary continuation payment for our CEO represents the value of 12 months of his base salary, based on his base salary level in effect on March 28, 2020. For each of the other Named Executive Officers, the amount is based on six months of base salary, at the base salary level in effect on March 28, 2020.

(2) The valuation of the healthcare benefits has been computed based on an estimate of the COBRA payments required for the three-month period payable by the Company at the rates in effect as of March 28, 2020.

(3) The Named Executive Officers would only receive the payments enumerated in this column in the event of a termination of employment due to death or disability. In the event employment is terminated for any other reason, the noted Named Executive Officer would forfeit these amounts because he or she would not be employed with the Company on the date of payment. On a termination due to death or disability, the Named Executive Officer would be entitled to a pro rata payment of their bonus under the Incentive Plan. Because March 28, 2020, is the last day of the semiannual performance period, the Named Executive Officer would be entitled to a full payment of the semiannual bonus. As such, we have calculated the cash bonus under the Incentive Plan as the target Incentive Plan Payout Percentage (100%) applied to each individual's current target bonus under the Incentive Plan for the semiannual performance period ending on March 28, 2020.

Conditions Additionally Involving a Change of Control

The estimated amount payable to each of our Named Executive Officers pursuant to (i) the Incentive Plan in the event of a change of control in which the Incentive Plan is not assumed or comparably

replaced, and (ii) the 2007 Severance Plan in the event of termination of employment following a change of control of the Company either other than for cause by the Company, by the executive officer for good reason, or due to the executive officer's death or disability, is set forth in the table below. In the event of termination of employment following a change of control as described above in (ii), the 2007 Severance Plan provides that outstanding equity awards will be accelerated (i.e., such awards are double trigger). The possible application of any cutback required under the 2007 Severance Plan due to the operation of Sections 280G and 4999 of the IRC has not been included in these calculations:

Name	Lump Sum Salary Payment(1)	Accelerated Vesting of Unvested Equity(2)	Health Benefits (up to 12 months)(3)	Cash Bonus Under Incentive Plan (4)	Total
Jason P. Rhode, Chief Executive Officer and Director Nominee	$1,600,000	$8,801,541	$17,396	$600,000	$11,018,937
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$ 410,865	$1,578,739	$17,396	$154,074	$ 2,161,075
John M. Forsyth, President	$ 400,000	$3,971,442	$23,676	$150,000	$ 4,545,118
Carl J. Alberty, Vice President, Mixed-Signal Products	$ 300,000	$2,092,928	$14,625	$112,500	$ 2,520,053
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$ 382,200	$1,636,971	$23,676	$143,325	$ 2,186,173

(1) The lump sum salary payment for our CEO represents the value of 24 months of his base salary, based on his base salary level in effect on March 28, 2020. For each of the other Named Executive Officers, the amount is based on 12 months of base salary, at the level in effect on March 28, 2020.

(2) The valuation of accelerated vesting of unvested equity awards has been computed based on: (1) the estimated value that would have been realized based on the difference between the exercise price of the options that were subject to accelerated vesting and the closing market price of our common stock on March 27, 2020 (the last trading day prior to March 28, 2020), which was $61.92 per share, and (2) the value of the RSUs and target-level PBRSUs subject to accelerated vesting based on that same closing market price.

(3) The valuation of healthcare benefits has been computed based on an estimate of the COBRA payments required for the 12-month period payable by the Company at the rates in effect as of March 28, 2020.

(4) The amounts in this column represent a pro rata cash payment of target bonuses under the Incentive Plan, based on the number of calendar days completed in the semiannual performance period prior to the occurrence of the change of control. Because the change of control is deemed to occur on the last day of the fiscal year, the amounts above represent the target Incentive Plan Payout Percentage (100%) applied to each individual's current target bonus under the Incentive Plan for the semiannual performance period ending on March 28, 2020.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of March 28, 2020 about shares of our common stock that may be issued upon the exercise of options, warrants, and rights under the Company's 2006 Stock Incentive Plan and the 2018 Long Term Incentive Plan, which was first approved by stockholders on August 3, 2018:

	(A) Number of Securities to be issued upon exercise of outstanding options	(B) Weighted-average exercise price of outstanding options	(C) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity Compensation Plans Approved by Security Holders[1]	4,049,209[2]	$44.84[3]	2,094,850
Equity Compensation Plans Not Approved by Security Holders	0	0	0
TOTAL	**4,049,209**	**$ 44.84**	**2,094,850**

(1) As of March 28, 2020, we were granting equity awards only under the 2018 Long Term Incentive Plan. Under the 2018 Long Term Incentive Plan, a 1.5 full value award multiplier is applied to all RSUs and PBRSUs granted.

(2) Includes 2,832,774 shares granted under the 2006 Stock Incentive Plan and the 2018 Long Term Incentive Plan that are issuable upon the vesting of the outstanding RSUs and PBRSUs.

(3) The weighted average exercise price does not take into account the shares issuable upon the vesting of the outstanding RSUs and PBRSUs.

PAY RATIO DISCLOSURE

In accordance with Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Dr. Jason Rhode, our CEO. For fiscal year 2020:

- the median of the annual total compensation of all employees of our Company (other than our CEO) was $144,504; and
- the annual total compensation of our CEO was $6,110,872.
- Based on this information, the annual total compensation of our CEO was estimated to be 42.3 times that of the median of the annual total compensation of all employees (excluding the CEO).

We believe this ratio is a reasonable estimate calculated in a manner consistent with SEC rules. Different companies may use different methodologies in arriving at a pay ratio, and as a result, these ratios are not necessarily designed to facilitate comparisons among different companies. Rather, they allow stockholders to better understand and assess each particular company's internal compensation practices.

Identifying the Median Employee

We identified our median employee by considering an employee population as of the last day of our fiscal year, March 28, 2020. We considered all employees at our consolidated subsidiaries and all worldwide employees other than our CEO, whether employed on a full-time, part-time, temporary, or seasonal basis. For purposes of selecting our median employee, we used a consistently applied compensation measure that included (1) base pay during fiscal year 2020 using salary or base pay rate as of March 28, 2020, (2) all cash bonuses earned during fiscal year 2020, and (3) the aggregate full grant date fair value of equity awards granted during fiscal year 2020, calculated in accordance with FASB ASC Topic 718. Compensation paid in foreign currencies was converted to U.S. dollars based on the average monthly exchange rate for March, 2020. For employees who were employed for less than the full fiscal year, we annualized their base pay. The value of the Company's 401(k) plan and medical benefits provided was excluded, as all employees in a given jurisdiction are offered the same benefits, and we did not make any cost-of-living adjustments. Our employee population other than the CEO was an even number, and therefore two midpoint employees were identified as potential medians, one based in the U.S. and one in Japan. From these two, we chose as our median employee the U.S.-based employee who had a slightly lower annual total compensation, yielding a higher pay ratio.

Using this methodology, we determined that the median employee was a full-time applications engineer in Austin, Texas.

Calculating the Ratio

After identifying the median employee, we calculated the elements of such employee's annual total compensation for fiscal year 2020 pursuant to Item 402(c)(2)(x) of Regulation S-K: $144,504. For the annual total compensation of our CEO, we used the amount reported in the "Total" column (column (j)) of our Fiscal Year 2020 Summary Compensation Table included in this proxy statement: $6,110,872.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

The Audit Committee is comprised solely of independent directors, as defined by the applicable Nasdaq listing standards and rules of the SEC, and it operates under a written charter adopted by the Board, which is available under the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*. The composition of the Audit Committee, the attributes of its members, and the responsibilities of the Audit Committee, as reflected in its charter, are intended to comply with applicable requirements for corporate audit committees. The Audit Committee continues to review and assess the adequacy of its charter on an annual basis, and will revise it to comply with new rules and regulations as they are adopted.

As described more fully in its charter, the primary focus of the Audit Committee is to assist the Board in its general oversight of the Company's financial reporting, internal control, and audit functions. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements; accounting and financial reporting principles; internal controls; and procedures designed to assure compliance with accounting standards, applicable laws, and regulations. The Company's independent registered public accounting firm, Ernst & Young, is responsible for performing an independent audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB").

In accordance with the Sarbanes-Oxley Act and the Nasdaq listing standards, the Audit Committee has ultimate authority and responsibility to select, compensate, evaluate and, when appropriate, replace the Company's independent registered public accounting firm.

The Audit Committee serves an oversight role for the Board in which it provides advice, counsel, and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors, and the experience of the Audit Committee's members in business, financial, and accounting matters. The Audit Committee members are not professional auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent auditors, nor can the Audit Committee certify that the independent auditors are "independent" under applicable rules.

In this context, the Audit Committee has met and held discussions with management and Ernst & Young. Management represented to the Audit Committee that the audited financial statements of the Company contained in the Company's Annual Report to Stockholders for the fiscal year ended March 28, 2020, were prepared in accordance with U.S. generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with Ernst & Young matters required to be discussed by the applicable requirements of the PCAOB and the SEC.

The Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young required by applicable PCAOB rules regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee discussed with Ernst & Young the firm's independence. In addition, the Audit Committee has considered whether the provision of non-audit services is compatible with maintaining Ernst & Young's independence.

Based upon the Audit Committee's discussions with management and the independent auditors, the Audit Committee's review of the representations of management, and the report of the independent auditors to the Audit Committee, the Audit Committee recommended that the Board include the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2020, as filed with the SEC.

Submitted by the Audit Committee of the Board:

Alexander M. Davern, Chair
John C. Carter
Timothy R. Dehne

AUDIT AND NON-AUDIT FEES AND SERVICES

Audit and Related Fees

The following table shows the fees accrued by the Company for the audit and other services provided by Ernst & Young for fiscal years 2020 and 2019. All fees were pre-approved by the Audit Committee.

	2020	2019
Audit Fees	$1,377,000	$1,381,000
Audit-Related Fees	$ 32,078	$ 20,000
Tax Fees	$ 220,000	$ 742,267
All Other Fees	$ 2,268	$ 2,923
Total	$1,631,346	$2,146,190

Audit Fees. Audit services consisted of the audit of the Company's consolidated financial statements and of management's assessment of the operating effectiveness of internal control over financial reporting included in the Company's Annual Report on Form 10-K, the review of the Company's financial statements included in its quarterly reports on Form 10-Q, and statutory audits required internationally.

Audit-Related Fees. Audit-related services generally include fees for accounting consultations and registration statements filed with the SEC.

Tax Fees. The fiscal year 2020 tax fees include $120,000 in tax compliance and tax return preparation services. The remainder of the fiscal year 2020 tax fees relate to technical tax advice and tax planning. The fiscal year 2019 tax fees include $120,000 in tax compliance and tax return preparation services. The remainder of the fiscal year 2019 tax fees relate to technical fees including technical tax advice and tax planning.

All Other Fees. The other fees correspond to an Ernst & Young research tool.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a written policy for the pre-approval of audit, audit-related, and non-audit services provided by the Company's independent registered public accounting firm.

For audit and audit-related services, the independent auditor will provide the Audit Committee with an engagement letter and estimated budget for formal acceptance and approval. A list of non-audit services and estimated budget for such services for the upcoming fiscal year are submitted to the Audit Committee by Company management for pre-approval. To ensure prompt handling of unexpected non-budgeted non-audit related services, the Audit Committee has delegated to its Chair the authority to amend or modify the list of approved permissible non-audit services and fees if the cost of the service is less than $100,000. Any such unexpected services for which the cost is more than $100,000 are approved by the Audit Committee. If the Chair takes any action, the Chair will report such action to the Audit Committee at the next Audit Committee meeting.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Indemnification and Insurance. Our Bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law. We have entered into indemnification agreements with all of our directors and executive officers and have purchased directors' and officers' liability insurance.

Procedures for Review, Approval, and Ratification of Related Person Transactions. The Board recognizes that Related Person Transactions (as defined below) can present conflicts of interest and questions as to whether transactions are in the best interests of the Company. Accordingly, the Board has documented and implemented certain procedures for the review, approval, or ratification of all potential Related Person Transactions. Pursuant to these procedures, the Audit Committee must review, approve, or ratify any transactions with Related Persons (as defined below). When it is impractical to wait for a scheduled Audit Committee meeting, a proposed Related Person Transaction may be submitted to the Audit Committee Chair for approval and then subsequently reported to the Audit Committee at the next Audit Committee meeting.

This procedure seeks to promote Company decisions that are based on the merits of the transaction and the interests of the Company and its stockholders. While it is the Company's preference to avoid Related Person Transactions, this procedure sets forth a methodology for considering a proposed Related Person Transaction in which the standard to be applied is whether such transaction is at arm's length and on terms comparable to those terms provided to other unrelated entities in the marketplace.

For these purposes, a "Related Person" is any person who is: (1) a director or executive officer of the Company, (2) a nominee for director (if the information called for is being presented in a proxy or information statement relating to the election of that nominee for director), (3) an immediate family member of a director or executive officer of the Company, (4) an immediate family member of a nominee for director (if the information called for is being presented in a proxy or information statement relating to the election of that nominee for director), (5) a security holder of 5% or more of any class of common stock (or other equity security) (if a transaction in which the person had a direct or indirect material interest occurred or existed), or (6) an immediate family member of a security holder of 5% or more of any class of common stock (or other equity security) (if a transaction in which the person had a direct or indirect material interest occurred or existed).

For these purposes, a "Related Person Transaction" is any transaction, arrangement, or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is, or will be a participant and in which a Related Person had, has, or will have a direct or indirect interest. The Company has not established a materiality limit for purposes of defining a Related Person Transaction under its related person transaction procedures.

Transactions with Related Persons. During fiscal year 2020, Dr. Rhode beneficially owned 100% of an aircraft through a limited liability company (the "LLC"), and the LLC made the aircraft available for lease through an independent aircraft management company. On occasion we leased, through the aircraft management company, the non-exclusive use of the aircraft for business travel for employees, with no required minimum usage, at a rate of $3,308 per flight hour plus any additional overnight/ landing fees and excise taxes. Our agreement with the aircraft management company contains other terms and conditions normal in such transactions and can be canceled with 30 days' notice. Our Board of Directors approved this hourly reimbursement rate based upon a competitive analysis of comparable chartered aircraft rates, which showed that the reimbursement rate is at or below market rates for the charter of similar aircraft. During fiscal year 2020, we incurred approximately $30,041 in rental fees for the aircraft owned through the LLC. These fees are included in general, administrative, and other expenses in the condensed consolidated statements of operations. As of the end of fiscal year 2020, Dr. Rhode no longer owned such aircraft.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors and persons who own more than 10% of a registered class of the Company's equity securities to file an initial report of ownership on Form 3 and changes in ownership on Form 4 or 5 with the SEC. Executive officers, directors, and greater than 10% stockholders are also required by the federal securities rules to furnish the Company with copies of all Section 16(a) forms they file.

The Company believes that, during the fiscal year 2020, all Section 16(a) filing requirements applicable to its officers, directors, and greater than 10% stockholders were met in a timely manner except for one late Form 4 filing for each of the following officers: Scott A. Anderson, Jo-Dee M. Benson, Andrew Brannan, Bradley J. Fluke, John M. Forsyth, Allan W. Hughes, and Gregory Scott Thomas. Each of these late Form 4 filings pertained to two transactions—(1) the vesting of restricted stock units and (2) payment of tax liability by withholding shares incident to that vesting. Due to administrative error, each was filed one day late on November 6, 2019, instead of November 5, 2019. Mr. Forsyth's Form 4 filing of November 6, 2019, reported an incorrect number of shares (the form reported that Mr. Forsyth owned 14,052 shares when in fact he owned 6,052), and this administrative error was corrected on May 1, 2020 by amending the Form 4 report.

HOUSEHOLDING

The SEC has adopted rules that permit companies and intermediaries (such as stockbrokers) to implement a delivery procedure called "householding." Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our annual report and proxy materials, including the Notice of Internet Availability of proxy materials, unless the affected stockholder has provided contrary instructions. This procedure reduces printing costs and postage fees.

This year, we expect that a number of stockbrokers with account holders who beneficially own common stock will be "householding" our annual report and proxy materials, including the Notice of Internet Availability of the proxy materials. A single Notice of Internet Availability of the proxy materials and, if applicable, a single set of annual report and other proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your stockbroker that it will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. Conversely, if multiple stockholders who reside at the same address receive multiple copies of our annual report and proxy materials, they may provide instructions if they prefer to receive only one copy of such materials. Stockholders may provide instructions or change their instructions at any time by contacting Broadridge ICS, either by calling toll-free (866)-540-7095, or by writing to Broadridge ICS, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you contact Broadridge ICS using the contact information above, we will promptly deliver to you a separate copy of our Annual Report, Notice of Internet Availability of the proxy materials, and the proxy materials for the 2020 Annual Meeting, and for future meetings, if you so request. Please also contact Broadridge ICS if you wish to request delivery of a single copy of those materials if you currently receive multiple copies.

COMMUNICATING WITH US

Communicating with the Board

If you would like to contact the Board, including a Committee, you may write to the following address:

Board of Directors
c/o Corporate Secretary
Cirrus Logic, Inc.
800 W. 6th Street
Austin, Texas 78701

The Corporate Secretary or Chair of the Governance and Nominating Committee, as appropriate, reviews all correspondence addressed to the Board and regularly forwards to the Board all such correspondence that, in the opinion of the Corporate Secretary or Chair of the Governance and Nominating Committee, deals with the functions of the Board or the Committees. Directors may at any time review a log of all correspondence received by the Company that is addressed to the Board or individual Board members. Concerns relating to accounting, internal controls, or auditing issues will be immediately brought to the attention of the Chair of the Audit Committee.

Other Communications

If you would like to receive information about the Company, you may use one of these convenient methods:

1. To have information such as our latest Annual Report on Form 10-K or Quarterly Report on Form 10-Q mailed to you, please call our Investor Relations Department at (512) 851-4125.
2. To view our home page on the internet, use our website address: *www.cirrus.com*. Our home page provides you access to product, marketing and financial data, job listings, and an online version of this proxy statement, our Annual Report on Form 10-K, and other filings with the SEC.

If you would like to write to us, please send your correspondence to the following address:

Cirrus Logic, Inc.
Attention: Investor Relations
800 W. 6th Street
Austin, TX 78701

If you would like to inquire about stock transfer requirements, lost certificates, and change of stockholder address, please contact our transfer agent, Computershare Investor Services, at (877) 373-6374 (toll free) or (781) 575-2879 or by visiting their website at www.investorcentre.com (see "contact us" section and other online features).

If you would like to report any inappropriate, illegal, or criminal conduct by any employee, agent, or representative of the Company; any violation of the Company's Code of Conduct; or any complaint or concern regarding accounting, internal accounting controls or auditing matters, you may file an anonymous and confidential report by contacting EthicsPoint, an independent reporting system provider, by telephone at 1-866-384-4277 (1-866-ETHICSP), or through its website at cirruslogic.ethicspoint.com.

ANNUAL REPORT

On May 20, 2020, we filed with the SEC an Annual Report on Form 10-K for the fiscal year ended March 28, 2020. The Annual Report on Form 10-K has been provided concurrently with this proxy statement to all stockholders entitled to notice of, and to vote at, the Annual Meeting.

Stockholders may also obtain a copy of the Annual Report on Form 10-K and any of our other SEC reports, free of charge, (1) from the SEC's website at www.sec.gov , (2) from our website at investor.cirrus.com, or (3) by writing to Investor Relations, Cirrus Logic, Inc., 800 W. 6th Street, Austin, TX 78701. The Annual Report on Form 10-K is not incorporated into this proxy statement and is not considered proxy solicitation material.

BY ORDER OF THE BOARD OF DIRECTORS

Jason P. Rhode
Chief Executive Officer
Austin, Texas
June 3, 2020

ANNEX

INCENTIVE PLAN RECONCILIATION

	6 Months Ended	
	2H'20	**1H'20**
Net Revenue	**$653,959**	**$627,165**
Cost of Sales	$310,219	$296,738
Gross Profit	**$343,740**	**$330,427**
Total Operating Expenses	**$261,080**	**$239,607**
Total Operating Income	**$ 82,660**	**$ 90,820**
Operating Income Percentage	13%	14%
Operating Income Reconciliation		
GAAP Operating Income	**$ 82,660**	**$ 90,820**
Amortization of acquisition intangibles	$ 9,470	$ 13,950
Stock compensation expense	$ 28,212	$ 25,545
Other adjustments **	$ 21,925	$ —
Bonus VCP, Executive, Leadership Plan Exclusion	$ 16,868	$ 10,040
Non GAAP Operating Income Used for Bonus Plans	**$159,136**	**$140,355**
Non GAAP Operating Income Percentage Used for Bonus Plans	24%	22%

** *Other adjustments may include certain acquisition expenses, litigation expenses, patent agreements, restructuring items, sales reorganizations, asset gains, impairments, or other. The noted figure of $ 21,925 represents restructuring charges concerning the Company's MEMS microphone product line, including equipment disposal costs, asset impairment and write-off of intangible assets, and other nonrecurring cost.*

EXHIBITS

The following documents are filed as part of this Report:

Exhibit 1—First Amendment to the Cirrus Logic, Inc. 2018 Long Term Incentive Plan

Exhibit 2—Cirrus Logic, Inc. 2018 Long Term Incentive Plan

Exhibit 1

FIRST AMENDMENT TO THE CIRRUS LOGIC, INC. 2018 LONG TERM INCENTIVE PLAN

The Board of Directors (the "***Board***") of Cirrus Logic, Inc., a Delaware corporation (the "***Company***"), hereby makes this First Amendment (the "***Amendment***") to the Cirrus Logic, Inc. 2018 Long Term Incentive Plan, as amended (the "***Plan***") this 14th day of May, 2020. Subject to approval of the Company's shareholders at the 2020 Annual Meeting, the effective date of this Amendment shall be July 31, 2020.

WHEREAS, the Company originally established the Plan to be effective as of August 3, 2018, for purposes of providing compensation and incentive awards employees, directors and consultants that are based on the Company's common stock, par value $0.001 per share (the "***Stock***") in order to strengthen the Company's ability to attract, motivate and retain service providers of experience and ability, and to encourage the highest level of performance in the Company's financial success and growth; and

WHEREAS, the Company now desires to amend the Plan to increase the number of shares of Stock available for issuance pursuant to the Plan.

NOW THEREFORE, for and in consideration of the foregoing and the agreements contained herein, the Plan shall be amended as follows:

1. *Defined Terms*. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed thereto in the Plan.

2. *Amendments*. Section 4(a) is hereby amended and restated in its entirety as follows: Section 4(a) is hereby amended and restated in its entirety as follows:

   <u>Number of Shares Available for Delivery</u>. Subject to adjustment in a manner consistent with Section 8, 9,325,205 million shares of Stock are reserved for issuance pursuant to this Plan and available for delivery with respect to Awards. This number of shares of Stock consists of the following: (i) 3,200,000 newly reserved shares in connection with the first amendment to the Plan (in 2020); (ii) 2,300,000 shares that were originally reserved in connection with the adoption of the Plan (in 2018); and (iii) 3,825,205 shares of Stock that remained available under the Prior Plan immediately prior to the Original Effective Date and were carried over to become available for issuance pursuant to the Original Plan. With respect to any award that is still outstanding pursuant to the Prior Plan as of the Effective Date (a "***Prior Plan Award***"), in accordance with Section 5 of the Prior Plan, if such a Prior Plan Award, on or after the Effective Date, is surrendered, exchanged, forfeited, settled in cash or otherwise lapses, expires, terminates or is canceled without the actual delivery of Stock, then the Stock covered by such Prior Plan Award, to the extent of such surrender, exchange, forfeiture, expiration, lapse, termination, cancellation or payment in cash, shall become Stock that may be issued with respect to Awards granted under this Plan. All Stock described in this Section 4(a) that becomes issuable pursuant to this Plan shall be available for the issuance of shares upon the exercise of ISOs.

3. *Remainder of the Plan*. Except as expressly provided herein, the Plan remains in full force and effect.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Amendment to be duly executed in its name and on its behalf by its duly authorized representative on the date set forth above.

CIRRUS LOGIC, INC.

By: /s/ Thurman Case

Name: Thurman Case
Title: Vice President, Chief Financial Officer and Principal Accounting Officer

Exhibit 2

CIRRUS LOGIC, INC.

2018 Long Term Incentive Plan

1. **Purpose**. The purpose of the Cirrus Logic, Inc. 2018 Long Term Incentive Plan (the "***Plan***") is to provide a means through which (a) Cirrus Logic, Inc., a Delaware corporation (the "***Company***"), and its Affiliates may attract, retain and motivate qualified persons as employees, directors and consultants, thereby enhancing the profitable growth of the Company and its Affiliates and (b) persons upon whom the responsibilities of the successful administration and management of the Company and its Affiliates rest, and whose present and potential contributions to the Company and its Affiliates are of importance, can acquire and maintain stock ownership or awards the value of which is tied to the performance of the Company, thereby strengthening their concern for the Company and its Affiliates. Accordingly, the Plan provides for the grant of Options, SARs, Restricted Stock, Restricted Stock Units, Stock Awards, Other Stock-Based Awards, Cash Awards, Substitute Awards, Performance Awards, or any combination of the foregoing, as determined by the Committee in its sole discretion.

2. **Definitions**. For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "***Affiliate***" means any corporation, partnership, limited liability company, limited liability partnership, association, trust or other organization that, directly or indirectly, controls, is controlled by, or is under common control with, the Company. For purposes of the preceding sentence, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any entity or organization, shall mean the possession, directly or indirectly, of the power (i) to vote more than 50% of the securities having ordinary voting power for the election of directors of the controlled entity or organization or (ii) to direct or cause the direction of the management and policies of the controlled entity or organization, whether through the ownership of voting securities, by contract, or otherwise.

(b) "***ASC Topic 718***" means the Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation – Stock Compensation*, as amended or any successor accounting standard.

(c) "***Award***" means any Option, SAR, Restricted Stock, Restricted Stock Unit, Stock Award, Other Stock-Based Award, Cash Award, Substitute Award or Performance Award, together with any other right or interest, granted under the Plan.

(d) "***Award Agreement***" means any written instrument (including any employment, severance or change in control agreement) that sets forth the terms, conditions, restrictions and/or limitations applicable to an Award, in addition to those set forth under the Plan.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cash Award***" means an Award denominated in cash granted under Section 6(h).

(g) "***Change in Control***" means, except as otherwise provided in an Award Agreement, the occurrence of any of the following events after the Effective Date: (i) the Company will not be the surviving entity in any merger, share exchange, or consolidation (or survives only as a subsidiary of an entity), (ii) the Company sells, leases, or exchanges all or substantially all of its assets to any other person or entity, (iii) the Company is dissolved and liquidated, (iv) any person or entity, including a "group" as contemplated by Section 13(d)(3) of the Exchange Act, acquires or gains ownership or control (including, without limitation, power to vote) of more than 50% of the outstanding shares of the Company's voting stock (based upon voting power), or (v) at such time as the Company becomes a

reporting company under the Exchange Act, as a result of or in connection with a contested election of directors, the persons who were directors of the Company before such election will cease to constitute a majority of the Board; provided, however, that a Change in Control will not include (A) any reorganization, merger, consolidation, sale, lease, exchange, or similar transaction, which involves solely the Company and one or more entities wholly-owned, directly or indirectly, by the Company immediately prior to such event or (B) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the voting stock of the Company immediately prior to such transaction or series of transactions continue to hold 50% or more of the voting stock (based upon voting power) of (1) any entity that owns, directly or indirectly, the stock of the Company, (2) any entity with which the Company has merged, or (3) any entity that owns an entity with which the Company has merged. Notwithstanding anything to the contrary within this definition, with respect to any Award that is subject to Section 409A of the Code, a "Change in Control" shall not occur unless that Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case, within the meaning of 1.409A-3(i)(5) of the regulations promulgated under Section 409A of the Code.

(h) "***Change in Control Price***" means the amount determined in the following clause (i), (ii), (iii), (iv) or (v), whichever the Committee determines is applicable, as follows: (i) the price per share offered to holders of Stock in any merger or consolidation, (ii) the per share Fair Market Value of the Stock immediately before the Change in Control or other event without regard to assets sold in the Change in Control or other event and assuming the Company has received the consideration paid for the assets in the case of a sale of the assets, (iii) the amount distributed per share of Stock in a dissolution transaction, (iv) the price per share offered to holders of Stock in any tender offer or exchange offer whereby a Change in Control or other event takes place, or (v) if such Change in Control or other event occurs other than pursuant to a transaction described in clauses (i), (ii), (iii), or (iv) of this Section 2(h), the value per share of the Stock that may otherwise be obtained with respect to such Awards or to which such Awards track, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Awards. In the event that the consideration offered to stockholders of the Company in any transaction described in this Section 2(h) or in Section 8(f) consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash and such determination shall be binding on all affected Participants to the extent applicable to Awards held by such Participants.

(i) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended from time to time, including the guidance and regulations promulgated thereunder and successor provisions, guidance and regulations thereto.

(j) "***Committee***" means a committee of two or more directors designated by the Board to administer the Plan; provided, however, that, unless otherwise determined by the Board, the Committee shall consist solely of two or more Qualified Members.

(k) "***Effective Date***" means August 3, 2018.

(l) "***Eligible Person***" means any individual who, as of the date of grant of an Award, is an officer or employee of the Company or of any of its Affiliates, and any other person who provides services to the Company or any of its Affiliates, including directors and consultants of the Company; provided, however, that, any such individual must be an "employee" of the Company or any of its parents or subsidiaries within the meaning of General Instruction A.1(a) to Form S-8 if such individual is granted an Award that may be settled in Stock. An employee on leave of absence may be an Eligible Person.

(m) “***Exchange Act***” means the U.S. Securities Exchange Act of 1934, as amended from time to time, including the guidance, rules and regulations promulgated thereunder and successor provisions, guidance, rules and regulations thereto.

(n) “***Fair Market Value***” of a share of Stock means, as of any specified date, (i) if the Stock is listed on a national securities exchange, the closing sales price of the Stock, as reported on the stock exchange composite tape on that date (or if no sales occur on such date, on the last preceding date on which such sales of the Stock are so reported); (ii) if the Stock is not traded on a national securities exchange but is traded over the counter on such date, the average between the reported high and low bid and asked prices of Stock on the most recent date on which Stock was publicly traded on or preceding the specified date; or (iii) in the event Stock is not publicly traded at the time a determination of its value is required to be made under the Plan, the amount determined by the Committee in its discretion in such manner as it deems appropriate, taking into account all factors the Committee deems appropriate, including the Nonqualified Deferred Compensation Rules. Notwithstanding this definition of Fair Market Value, with respect to one or more Award types, or for any other purpose for which the Committee must determine the Fair Market Value under the Plan, the Committee may elect to choose a different measurement date or methodology for determining Fair Market Value so long as the determination is consistent with the Nonqualified Deferred Compensation Rules and all other applicable laws and regulations.

(o) “***Full-Value Award***” means an Award *other than* an Option, a SAR or other Award whose intrinsic value is solely dependent on appreciation in the price of the Stock after the date of grant.

(p) “***ISO***” means an Option intended to be and designated as an “incentive stock option” within the meaning of Section 422 of the Code.

(q) “***Nonqualified Deferred Compensation Rules***” means the limitations or requirements of Section 409A of the Code, as amended from time to time, including the guidance and regulations promulgated thereunder and successor provisions, guidance and regulations thereto.

(r) “***Nonstatutory Option***” means an Option that is not an ISO.

(s) “***Option***” means a right, granted to an Eligible Person under Section 6(b), to purchase Stock at a specified price during specified time periods, which may either be an ISO or a Nonstatutory Option.

(t) “***Other Stock-Based Award***” means an Award granted to an Eligible Person under Section 6(g).

(u) “***Participant***” means a person who has been granted an Award under the Plan that remains outstanding, including a person who is no longer an Eligible Person.

(v) “***Performance Award***” means an award granted to an Eligible Person under Section 6(j), the grant, vesting, exercisability and/or settlement of which (and/or the timing or amount thereof) is subject to the achievement of one or more performance goals specified by the Committee.

(w) “***Prior Plan***” means the Cirrus Logic, Inc. 2006 Stock Incentive Plan (Amended and Restated as of May 26, 2015).

(x) “***Qualified Member***” means a member of the Board who is (i) a “non-employee director” within the meaning of Rule 16b-3(b)(3), and (ii) “independent” under the listing standards or rules of the securities exchange upon which the Stock is traded, but only to the extent such independence is required in order to take the action at issue pursuant to such standards or rules.

(y) “***Restricted Stock***” means Stock granted to an Eligible Person under Section 6(d) that is subject to certain restrictions and to a risk of forfeiture.

(z) "***Restricted Stock Unit***" means a right, granted to an Eligible Person under Section 6(e), to receive Stock, cash or a combination thereof at the end of a specified period (which may or may not be coterminous with the vesting schedule of the Award).

(aa) "***Rule 16b-3***" means Rule 16b-3, promulgated by the SEC under Section 16 of the Exchange Act.

(bb) "***SAR***" means a stock appreciation right granted to an Eligible Person under Section 6(c).

(cc) "***SEC***" means the U.S. Securities and Exchange Commission.

(dd) "***Securities Act***" means the U.S. Securities Act of 1933, as amended from time to time, including the guidance, rules and regulations promulgated thereunder and successor provisions, guidance, rules and regulations thereto.

(ee) "***Stock***" means the Company's Common Stock, par value $0.001 per share, and such other securities as may be substituted (or re-substituted) for Stock pursuant to Section 8.

(ff) "***Stock Award***" means unrestricted shares of Stock granted to an Eligible Person under Section 6(f).

(gg) "***Substitute Award***" means an Award granted under Section 6(i).

3. **Administration**.

(a) Authority of the Committee. The Plan shall be administered by the Committee except to the extent the Board elects to administer the Plan, in which case references herein to the "Committee" shall be deemed to include references to the "Board." Subject to the express provisions of the Plan, Rule 16b-3 and other applicable laws, the Committee shall have the authority, in its sole and absolute discretion, to:

(i) designate Eligible Persons as Participants;

(ii) determine the type or types of Awards to be granted to an Eligible Person;

(iii) determine the number of shares of Stock or amount of cash to be covered by Awards;

(iv) determine the terms and conditions of any Award, including whether, to what extent and under what circumstances Awards may be vested, settled, exercised, cancelled or forfeited (including conditions based on continued employment or service requirements or the achievement of one or more performance goals);

(v) modify, waive or adjust any term or condition of an Award that has been granted, which may include the acceleration of vesting, waiver of forfeiture restrictions, modification of the form of settlement of the Award (for example, from cash to Stock or vice versa), early termination of a performance period, or modification of any other condition or limitation regarding an Award;

(vi) determine the treatment of an Award upon a termination of employment or other service relationship;

(vii) impose a holding period with respect to an Award or the shares of Stock received in connection with an Award;

(viii) interpret and administer the Plan and any Award Agreement;

(ix) correct any defect, supply any omission or reconcile any inconsistency in the Plan, in any Award, or in any Award Agreement; and

(x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. Any action of the Committee shall be final, conclusive and binding on all persons, including the Company, its Affiliates, stockholders, Participants, beneficiaries, and permitted transferees under Section 7(a) or other persons claiming rights from or through a Participant.

(b) Exercise of Committee Authority. At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award granted or to be granted to an Eligible Person who is then subject to Section 16 of the Exchange Act in respect of the Company where such action is not taken by the full Board may be taken either (A) by a subcommittee, designated by the Committee, composed solely of two or more Qualified Members, or (B) by the Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action; provided, however, that upon such abstention or recusal, the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan. For the avoidance of doubt, the full Board may take any action relating to an Award granted or to be granted to an Eligible Person who is then subject to Section 16 of the Exchange Act in respect of the Company.

(c) Delegation of Authority. The Committee may delegate any or all of its powers and duties under the Plan to a subcommittee of directors or to any officer of the Company, including the power to perform administrative functions and grant Awards; provided, however, that such delegation does not (i) violate state or corporate law, or (ii) result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Company. Upon any such delegation, all references in the Plan to the "Committee," other than in Section 8, shall be deemed to include any subcommittee or officer of the Company to whom such powers have been delegated by the Committee. Any such delegation shall not limit the right of such subcommittee members or such an officer to receive Awards; provided, however, that such subcommittee members and any such officer may not grant Awards to himself or herself, a member of the Board, or any executive officer of the Company or an Affiliate, or take any action with respect to any Award previously granted to himself or herself, a member of the Board, or any executive officer of the Company or an Affiliate. The Committee may also appoint agents who are not executive officers of the Company or members of the Board to assist in administering the Plan, provided, however, that such individuals may not be delegated the authority to grant or modify any Awards that will, or may, be settled in Stock.

(d) Limitation of Liability. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or employee of the Company or any of its Affiliates, the Company's legal counsel, independent auditors, consultants or any other agents assisting in the administration of the Plan. Members of the Committee and any officer or employee of the Company or any of its Affiliates acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the fullest extent permitted by law, be indemnified and held harmless by the Company with respect to any such action or determination.

(e) Participants in Non-U.S. Jurisdictions. Notwithstanding any provision of the Plan to the contrary, to comply with applicable laws in countries other than the United States in which the Company or any of its Affiliates operates or has employees, directors or other service providers from time to time, to ensure that the Company complies with any applicable requirements of foreign securities exchanges, to take advantage of specific tax treatment in any country, or to facilitate the administration of the Plan, the Committee, in its sole discretion, shall have the power and authority to:

(i) determine which of the Company's Affiliates shall be covered by the Plan; (ii) determine which Eligible Persons outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to Eligible Persons outside the United States; (iv) establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable, provided, however, that no such sub-plans and/or modifications shall increase the share limitations contained in Section 4(a); and (v) take any action, before or after an Award is granted, that it deems necessary or advisable. For purposes of the Plan, all references to foreign laws, rules, regulations or taxes shall be references to the laws, rules, regulations and taxes of any applicable jurisdiction other than the United States or a political subdivision thereof.

4. **Stock Subject to Plan**.

(a) Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with Section 8, 2.3 million shares of Stock are being newly reserved for this Plan and available for delivery with respect to Awards. In addition to the 2.3 million shares of Stock newly reserved for this Plan, the remaining available shares of Stock under the Prior Plan that are not the subject of awards that are outstanding under the Prior Plan immediately prior to the Effective Date of this Plan (the "***Prior Plan Awards***") will automatically and immediately cease to be available for grant pursuant to the Prior Plan at the Effective Date of this Plan, and all such shares of Stock shall be carried over and become available for issuance pursuant to this Plan (and shall also be subject to adjustment consistent with Section 8). Prior Plan Awards shall remain outstanding following the Effective Date in accordance with their terms; however, no new awards may be granted pursuant to the Prior Plan on or after the Effective Date. With respect to Prior Plan Awards, in accordance with Section 5 of the Prior Plan, if such a Prior Plan Award, on or after the Effective Date, is surrendered, exchanged, forfeited, settled in cash or otherwise lapses, expires, terminates or is canceled without the actual delivery of Stock, then the Stock covered by such Prior Plan Award, to the extent of such surrender, exchange, forfeiture, expiration, lapse, termination, cancellation or payment in cash, shall become Stock that may be issued with respect to Awards granted under this Plan. All Stock described in this Section 4(a) that becomes issuable pursuant to this Plan shall be available for the issuance of shares upon the exercise of ISOs.

(b) Application of Limitation to Grants of Awards. Subject to Section 4(c), no Award may be granted if the number of shares of Stock that may be delivered in connection with such Award exceeds the number of shares of Stock remaining available under the Plan minus the number of shares of Stock issuable in settlement of or relating to then-outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or Substitute Awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award; provided, however, that to the extent that a share of Stock is subject to an outstanding Full-Value Award, such share shall reduce the aggregate share limit set forth in Section 4(a) by 1.5 shares of Stock, and to the extent that a share of Stock is subject to an outstanding Award other than a Full-Value Award, such share shall reduce the aggregate share limit set forth in Section 4(a) by one share of Stock.

(c) Availability of Shares Not Delivered under Awards. Shares of Stock subject to an Award under this Plan that expires or is cancelled, forfeited, exchanged, settled in cash or otherwise terminated without the actual delivery of shares (Awards of Restricted Stock shall not be considered "delivered shares" for this purpose), will again be available for Awards. Notwithstanding the foregoing, (i) the number of shares tendered or withheld in payment of any exercise or purchase price of an Award or taxes relating to an Award, (ii) shares that were subject to an Option or an SAR but were not issued or delivered as a result of the net settlement or net exercise of such Option or SAR and (iii) shares repurchased on the open market with the proceeds of an Option's exercise price, will not, in

each case, be available for Awards. If an Award may be settled only in cash, such Award need not be counted against any share limit under this Section 4.

(d) Shares Available Following Certain Transactions. Substitute Awards granted in accordance with applicable stock exchange requirements and in substitution or exchange for awards previously granted by a company acquired by the Company or any subsidiary or with which the Company or any subsidiary combines shall not reduce the shares authorized for issuance under the Plan, nor shall shares subject to such Substitute Awards be added to the shares available for issuance under the Plan as provided above (whether or not such Substitute Awards are later cancelled, forfeited or otherwise terminated). Additionally, in the event that a company acquired by the Company or any subsidiary or with which the Company or any subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may, if and to the extent determined by the Board and subject to compliance with applicable stock exchange requirements, be used for Awards under the Plan and shall not reduce the shares authorized for issuance under the Plan (and shares subject to such Awards shall not be added to the shares available for issuance under the Plan as provided above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not, prior to such acquisition or combination, employed by (and who were not non-employee directors or consultants of) the Company or any of its subsidiaries immediately prior to such acquisition or combination.

(e) Stock Offered. The shares of Stock to be delivered under the Plan shall be made available from (i) authorized but unissued shares of Stock, (ii) Stock held in the treasury of the Company, or (iii) previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

5. **Eligibility and Certain Director Compensation Limitations**.

(a) Eligibility. Awards may be granted under the Plan only to Eligible Persons.

(b) Director Limitations on Awards. In any one calendar year, the aggregate value of all compensation paid to or granted to any non-employee member of the Board, including Awards granted pursuant to this Plan and all cash compensation, shall not exceed $750,000; provided, however, that the limit set forth in this Section 5(b) shall be without regard to compensation (whether in the form of Awards or cash compensation) provided to any non-employee member of the Board during any period in which such individual was an employee of the Company or of any of its Affiliates or was otherwise providing services to the Company or to any of its Affiliates other than in the capacity as a director of the Company. To calculate the $750,000 annual maximum, Awards granted pursuant to this Plan shall be valued on the grant date pursuant to ASC Topic 718, and all other cash compensation may include, but is not limited to, quarterly retainer fees, committee fees, meeting fees, or lead independent director fees.

6. **Specific Terms of Awards**.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with any other Award. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 10), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) Options. The Committee is authorized to grant Options, which may be designated as either ISOs or Nonstatutory Options, to Eligible Persons on the following terms and conditions:

(i) Exercise Price. Each Award Agreement evidencing an Option shall state the exercise price per share of Stock (the "***Exercise Price***") established by the Committee; provided, however, that except as provided in Section 6(i) or in Section 8, the Exercise Price of an Option shall not be less than the greater of (A) the par value per share of the Stock or (B) 100% of the Fair Market Value per share of the Stock as of the date of grant of the Option (or in the case of an ISO granted to an individual who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or any of its subsidiaries, 110% of the Fair Market Value per share of the Stock on the date of grant).

(ii) Time and Method of Exercise; Other Terms. The Committee shall determine the methods by which the Exercise Price may be paid or deemed to be paid, the form of such payment, including cash or cash equivalents, Stock (including previously owned shares or through a cashless exercise, i.e., "net settlement", a broker-assisted exercise, or other reduction of the amount of shares otherwise issuable pursuant to the Option), other Awards or awards granted under other plans of the Company or any Affiliate, other property, or any other legal consideration the Committee deems appropriate, the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including the delivery of Restricted Stock subject to Section 6(d), and any other terms and conditions of any Option. In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued based on the Stock's Fair Market Value as of the date of exercise. No Option may be exercisable for a period of more than ten years following the date of grant of the Option (or in the case of an ISO granted to an individual who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or any of its subsidiaries, for a period of more than five years following the date of grant of the ISO).

(iii) ISOs. The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. ISOs may only be granted to Eligible Persons who are employees of the Company or employees of a parent or any subsidiary corporation of the Company. Except as otherwise provided in Section 8, no term of the Plan relating to ISOs (including any SAR in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any ISO under Section 422 of the Code, unless the Participant has first requested the change that will result in such disqualification. ISOs shall not be granted more than ten years after the earlier of the adoption of the Plan or the approval of the Plan by the Company's stockholders. Notwithstanding the foregoing, to the extent that the aggregate Fair Market Value of shares of Stock subject to an ISO and the aggregate Fair Market Value of shares of stock of any parent or subsidiary corporation (within the meaning of Sections 424(e) and (f) of the Code) subject to any other incentive stock options of the Company or a parent or subsidiary corporation (within the meaning of Sections 424(e) and (f) of the Code) that are exercisable for the first time by a Participant during any calendar year exceeds $100,000, or such other amount as may be prescribed under Section 422 of the Code, such excess shall be treated as Nonstatutory Options in accordance with the Code. As used in the previous sentence, Fair Market Value shall be determined as of the date the ISO is granted. If a Participant shall make any disposition of shares of Stock issued pursuant to an ISO under the circumstances described in Section 421(b) of the Code (relating to disqualifying dispositions), the Participant shall notify the Company of such disposition within the time provided to do so in the applicable award agreement.

(c) SARs. The Committee is authorized to grant SARs to Eligible Persons on the following terms and conditions:

(i) Right to Payment. An SAR is a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee.

(ii) Grant Price. Each Award Agreement evidencing an SAR shall state the grant price per share of Stock established by the Committee; provided, however, that except as provided in Section 6(i) or in Section 8, the grant price per share of Stock subject to an SAR shall not be less than the greater of (A) the par value per share of the Stock or (B) 100% of the Fair Market Value per share of the Stock as of the date of grant of the SAR.

(iii) Method of Exercise and Settlement; Other Terms. The Committee shall determine the form of consideration payable upon settlement, the method by or forms in which Stock (if any) will be delivered or deemed to be delivered to Participants, and any other terms and conditions of any SAR. SARs may be either free-standing or granted in tandem with other Awards. No SAR may be exercisable for a period of more than ten years following the date of grant of the SAR.

(iv) Rights Related to Options. An SAR granted in connection with an Option shall entitle a Participant, upon exercise, to surrender that Option or any portion thereof, to the extent unexercised, and to receive payment of an amount determined by multiplying (A) the difference obtained by subtracting the Exercise Price with respect to a share of Stock specified in the related Option from the Fair Market Value of a share of Stock on the date of exercise of the SAR, by (B) the number of shares as to which that SAR has been exercised. The Option shall then cease to be exercisable to the extent surrendered. SARs granted in connection with an Option shall be subject to the terms and conditions of the Award Agreement governing the Option, which shall provide that the SAR is exercisable only at such time or times and only to the extent that the related Option is exercisable and shall not be transferable except to the extent that the related Option is transferrable.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Eligible Persons on the following terms and conditions:

(i) Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose. Except as provided in Section 7(a)(iii) and Section 7(a)(iv), during the restricted period applicable to the Restricted Stock, the Restricted Stock may not be sold, transferred, pledged, hedged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) Dividends and Splits. As a condition to the grant of an Award of Restricted Stock, the Committee shall provide that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock (such new Award of Restricted Stock of which would be required to be subject to vesting and forfeiture restrictions that are at least as restrictive as the remaining restrictions on the original Award of Restricted Stock to which the cash dividend related) or deferred without interest to the date of vesting of the associated Award of Restricted Stock. Stock distributed in connection with a Stock split or Stock dividend, and other property (other than cash) distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Eligible Persons on the following terms and conditions:

(i) Award and Restrictions. Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose.

(ii) Settlement. Settlement of vested Restricted Stock Units shall occur upon vesting or upon expiration of the deferral period specified for such Restricted Stock Units by the Committee (or, if permitted by the Committee, as elected by the Participant). Restricted Stock Units shall be settled by delivery of (A) a number of shares of Stock equal to the number of Restricted Stock Units for which settlement is due, or (B) cash in an amount equal to the Fair Market Value of the specified number of shares of Stock equal to the number of Restricted Stock Units for which settlement is due, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(f) Stock Awards. The Committee is authorized to grant Stock Awards to Eligible Persons as a bonus, as additional compensation, or in lieu of cash compensation any such Eligible Person is otherwise entitled to receive, in such amounts and subject to such other terms as the Committee in its discretion determines to be appropriate.

(g) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Eligible Persons such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of, or the performance of, specified Affiliates of the Company. The Committee shall determine the terms and conditions of such Other Stock-Based Awards. Stock delivered pursuant to an Other-Stock Based Award in the nature of a purchase right granted under this Section 6(g) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including cash, Stock, other Awards, or other property, as the Committee shall determine.

(h) Cash Awards. The Committee is authorized to grant Cash Awards, on a free-standing basis or as an element of, a supplement to, or in lieu of any other Award under the Plan to Eligible Persons in such amounts and subject to such other terms as the Committee in its discretion determines to be appropriate.

(i) Substitute Awards; No Repricing. Awards may be granted in substitution or exchange for any other Award granted under the Plan or under another plan of the Company or an Affiliate or any other right of an Eligible Person to receive payment from the Company or an Affiliate. Awards may also be granted under the Plan in substitution for awards held by individuals who become Eligible Persons as a result of a merger, consolidation or acquisition of another entity or the assets of another entity by or with the Company or an Affiliate. Such Substitute Awards referred to in the immediately preceding sentence that are Options or SARs may have an exercise price that is less than the Fair Market Value of a share of Stock on the date of the substitution if such substitution complies with the Nonqualified Deferred Compensation Rules and other applicable laws and exchange rules. Except as provided in this Section 6(i) or in Section 8, without the approval of the stockholders of the Company, the terms of outstanding Awards may not be amended to (i) reduce the Exercise Price or grant price of an outstanding Option or SAR, (ii) grant a new Option, SAR or other Award in substitution for, or upon the cancellation of, any previously granted Option or SAR that has the effect of reducing the Exercise Price or grant price thereof, (iii) exchange any Option or SAR for Stock, cash or other consideration when the Exercise Price or grant price per share of Stock under such Option or SAR exceeds the Fair Market Value of a share of Stock or (iv) take any other action that would be considered a "repricing" of an Option or SAR under the applicable listing standards of the national securities exchange on which the Stock is listed (if any).

(j) Performance Awards. The Committee is authorized to designate any of the Awards granted under the foregoing provisions of this Section 6 as Performance Awards. The Committee may use such

business criteria and other measures of performance as it may deem appropriate in establishing any performance goals applicable to a Performance Award, and may exercise its discretion to reduce or increase the amounts payable under any Performance Award. Performance goals may differ among Performance Awards granted to any one Participant or to different Participants. The performance period applicable to any Performance Award shall be set by the Committee in its discretion but shall not exceed ten years.

7. **Certain Provisions Applicable to Awards**.

(a) Limit on Transfer of Awards.

(i) Except as provided in Sections 7(a)(iii) and (iv), each Option and SAR shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution. Notwithstanding anything to the contrary in this Section 7(a), an ISO shall not be transferable other than by will or the laws of descent and distribution.

(ii) Except as provided in Sections 7(a)(i), (iii) and (iv), no Award, other than a Stock Award, and no right under any such Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

(iii) To the extent specifically provided by the Committee, an Award may be transferred by a Participant without consideration to immediate family members or related family trusts, limited partnerships or similar entities or on such terms and conditions as the Committee may from time to time establish.

(iv) An Award may be transferred pursuant to a domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of a written request for such transfer and a certified copy of such order.

(b) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or any of its Affiliates upon the exercise or settlement of an Award may be made in such forms as the Committee shall determine in its discretion, including cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis (which may be required by the Committee or permitted at the election of the Participant on terms and conditions established by the Committee); provided, however, that any such deferred or installment payments will be set forth in the Award Agreement. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of other amounts in respect of installment or deferred payments denominated in Stock.

(c) Evidencing Stock. The Stock or other securities of the Company delivered pursuant to an Award may be evidenced in any manner deemed appropriate by the Committee in its sole discretion, including in the form of a certificate issued in the name of the Participant or by book entry, electronic or otherwise, and shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Stock or other securities are then listed, and any applicable federal, state or other laws, and the Committee may cause a legend or legends to be inscribed on any such certificates to make appropriate reference to such restrictions. Further, if certificates representing Restricted Stock are registered in the name of the Participant, the Company may retain physical possession of the certificates and may require that the Participant deliver a stock power to the Company, endorsed in blank, related to the Restricted Stock.

(d) Minimum Vesting Requirements. Notwithstanding any provision of the Plan to the contrary, on and after the Effective Date, all Awards granted by the Committee shall be subject to a vesting period of not less than 12 months from the date of grant, subject, in each case, to the Committee's authority under the Plan to vest Awards earlier, as the Committee deems appropriate, upon the occurrence of a Change in Control, in the event of a Participant's termination of employment or service or otherwise as permitted by the Plan. The foregoing minimum vesting requirements will not, however, apply in connection with up to 5% of the aggregate number of shares of Stock that are reserved for issuance pursuant to this Plan as of the Effective Date (which shall include all shares of Stock that are carried over from any previous equity plan pursuant to Section 4(a) of the Plan).

(e) Consideration for Grants. Awards may be granted for such consideration, including services, as the Committee shall determine, but shall not be granted for less than the minimum lawful consideration.

(f) Dividends or Dividend Equivalents. In the event that a dividend or a dividend equivalent right is granted in connection with the grant of any Award pursuant to this Plan, (i) in no event shall the dividend or dividend equivalent right be distributed to the Participant before the underlying Stock covered by the Award to which the dividend or dividend equivalent right relates becomes vested or issued, (ii) any such dividend or dividend equivalent right shall be subject to the same restrictions and risk of forfeiture as the underlying Stock subject to the Award, and (iii) the dividend or dividend equivalent right shall be paid, if at all, at the time such restrictions or risk of forfeiture lapse.

(g) Additional Agreements. Each Eligible Person to whom an Award is granted under the Plan may be required to agree in writing, as a condition to the grant of such Award or otherwise, to subject an Award that is exercised or settled following such Eligible Person's termination of employment or service to a general release of claims and/or a noncompetition or other restricted covenant agreement in favor of the Company and its Affiliates, with the terms and conditions of such agreement(s) to be determined in good faith by the Committee.

8. **Subdivision or Consolidation; Recapitalization; Change in Control; Reorganization**.

(a) Existence of Plans and Awards. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Company, the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

(b) Additional Issuances. Except as expressly provided herein, the issuance by the Company of shares of stock of any class, including upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share of Stock, if applicable.

(c) Stock Repurchases. Notwithstanding anything in the Plan to the contrary, in the event that the Company executes a repurchase of shares of Stock, the Committee shall have discretion to make adjustments to Awards and the applicable limitations with respect to Awards provided in Section 4 and Section 5 (other than cash limits), in each case in such a manner as the Committee may determine that is permitted pursuant to the applicable tax and other laws, rules and regulations.

(d) Subdivision or Consolidation of Shares. The terms of an Award and the share limitations under the Plan shall be subject to adjustment by the Committee from time to time, in accordance with the following provisions:

(i) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock, or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then, as appropriate (A) the maximum number of shares of Stock available for delivery with respect to Awards and applicable limitations with respect to Awards provided in Section 4 and Section 5 (other than cash limits) shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any then outstanding Award shall be increased proportionately, and (C) the price (including the Exercise Price or grant price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(ii) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, by reverse Stock split, or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, then, as appropriate (A) the maximum number of shares of Stock available for delivery with respect to Awards and applicable limitations with respect to Awards provided in Section 4 and Section 5 (other than cash limits) shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any then outstanding Award shall be decreased proportionately, and (C) the price (including the Exercise Price or grant price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(e) Recapitalization. In the event of any change in the capital structure or business of the Company or other corporate transaction or event that would be considered an "equity restructuring" within the meaning of ASC Topic 718 and, in each case, that would result in an additional compensation expense to the Company pursuant to the provisions of ASC Topic 718, if adjustments to Awards with respect to such event were discretionary or otherwise not required (each such an event, an "***Adjustment Event***"), then the Committee shall equitably adjust (i) the aggregate number or kind of shares that thereafter may be delivered under the Plan, (ii) the number or kind of shares or other property (including cash) subject to an Award, (iii) the terms and conditions of Awards, including the purchase price or Exercise Price of Awards and performance goals, as applicable, and (iv) the applicable limitations with respect to Awards provided in Section 4 and Section 5 (other than cash limits) to equitably reflect such Adjustment Event ("***Equitable Adjustments***"). In the event of any change in the capital structure or business of the Company or other corporate transaction or event that would not be considered an Adjustment Event, and is not otherwise addressed in this Section 8, the Committee shall have complete discretion to make Equitable Adjustments (if any) in such manner as it deems appropriate with respect to such other event.

(f) Change in Control and Other Events. Except to the extent otherwise provided in any applicable Award Agreement, in the event of a Change in Control or other changes in the Company or the outstanding Stock by reason of a recapitalization, reorganization, merger, consolidation, combination, exchange or other relevant change occurring after the date of the grant of any Award, the Committee, acting in its sole discretion without the consent or approval of any holder, may exercise any power enumerated in Section 3 (including the power to accelerate vesting, waive any forfeiture conditions or

otherwise modify or adjust any other condition or limitation regarding an Award) and may also effect one or more of the following alternatives, which may vary among individual holders and which may vary among Awards held by any individual holder:

(i) accelerate the time of exercisability of an Award so that such Award may be exercised in full or in part for a limited period of time on or before a date specified by the Committee, after which specified date all unexercised Awards and all rights of holders thereunder shall terminate;

(ii) redeem in whole or in part outstanding Awards by requiring the mandatory surrender to the Company by selected holders of some or all of the outstanding Awards held by such holders (irrespective of whether such Awards are then vested or exercisable) as of a date, specified by the Committee, in which event the Committee shall thereupon cancel such Awards and pay to each holder an amount of cash or other consideration per Award (other than a Cash Award, which the Committee may separately require to be surrendered in exchange for cash or other consideration determined by the Committee in its discretion) equal to the Change in Control Price, less the Exercise Price with respect to an Option and less the grant price with respect to a SAR, as applicable to such Awards; provided, however, that to the extent the Exercise Price of an Option or the grant price of an SAR exceeds the Change in Control Price, such Award may be cancelled for no consideration;

(iii) cancel Awards that remain subject to a restricted period as of the date of a Change in Control or other such event without payment of any consideration to the Participant for such Awards; or

(iv) make such adjustments to Awards then outstanding as the Committee deems appropriate to reflect such Change in Control or other such event (including the substitution, assumption, or continuation of Awards by the successor company or a parent or subsidiary thereof);

provided, however, that so long as the event is not an Adjustment Event, the Committee may determine in its sole discretion that no adjustment is necessary to Awards then outstanding. If an Adjustment Event occurs, this Section 8(f) shall only apply to the extent it is not in conflict with Section 8(e).

9. **General Provisions**.

(a) Tax Matters. Notwithstanding any provision of this Plan, each Participant is solely responsible and liable for the satisfaction of all taxes and penalties of any kind and with respect to any tax jurisdiction that may be imposed on or for the account of such Participant in connection with the Plan.

(b) Withholding of Tax-Related Items. The Company and any of its Affiliates are authorized to withhold from any Award granted, or any payment relating to an Award, including from a distribution of Stock, income tax, social insurance, payroll tax, payment on account or other tax-related withholding items due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company, its Affiliates and Participants to satisfy the payment of withholding taxes and other tax-related obligations relating to any Award in such amounts as may be determined by the Committee. The Committee shall determine, in its sole discretion, the form of payment acceptable for such tax-related withholding obligations, including the delivery of cash or cash equivalents, Stock (including previously owned shares, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to the Award), other property, or any other legal consideration the Committee deems appropriate. Any determination made by the Committee to allow a Participant who is subject to Rule 16b-3 to pay taxes with shares of Stock through net settlement or previously owned shares shall be approved by either a committee made up solely of two or more Qualified Members or the full Board. If such tax-related withholding amounts are satisfied through net settlement or previously owned shares, the maximum number of shares of Stock that may be so

withheld or surrendered shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on an amount that is up to the greatest withholding rates for federal, state, foreign and/or local tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to such Award, as determined by the Committee.

(c) Limitation on Rights Conferred under Plan. Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or any of its Affiliates, (ii) interfering in any way with the right of the Company or any of its Affiliates to terminate any Eligible Person's or Participant's employment or service relationship at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Participants and/or employees and/or other service providers, or (iv) conferring on a Participant any of the rights of a stockholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

(d) Governing Law; Submission to Jurisdiction. All questions arising with respect to the provisions of the Plan and Awards shall be determined by application of the laws of the State of Delaware, without giving effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable federal and state laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock. With respect to any claim or dispute related to or arising under the Plan, the Company and each Participant who accepts an Award hereby consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Delaware.

(e) Severability and Reformation. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable law or, if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award and the remainder of the Plan and any such Award shall remain in full force and effect. If any of the terms or provisions of the Plan or any Award Agreement conflict with the requirements of Rule 16b-3 (as those terms or provisions are applied to Eligible Persons who are subject to Section 16 of the Exchange Act) or Section 422 of the Code (with respect to ISOs), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3 (unless the Board or the Committee, as appropriate, has expressly determined that the Plan or such Award should not comply with Rule 16b-3) or Section 422 of the Code, in each case, only to the extent Rule 16b-3 and such sections of the Code are applicable. With respect to ISOs, if the Plan does not contain any provision required to be included herein under Section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; provided, further, that, to the extent any Option that is intended to qualify as an ISO cannot so qualify, that Option (to that extent) shall be deemed a Nonstatutory Option for all purposes of the Plan.

(f) Unfunded Status of Awards; No Trust or Fund Created. The Plan is intended to constitute an "unfunded" plan for certain incentive awards. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other person. To the extent that any person acquires

a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or such Affiliate.

(g) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable. Nothing contained in the Plan shall be construed to prevent the Company or any of its Affiliates from taking any corporate action which is deemed by the Company or such Affiliate to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No employee, beneficiary or other person shall have any claim against the Company or any of its Affiliates as a result of any such action.

(h) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine in its sole discretion whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares of Stock or whether such fractional shares of Stock or any rights thereto shall be cancelled, terminated, or otherwise eliminated with or without consideration.

(i) Interpretation. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof. Words in the masculine gender shall include the feminine gender, and, where appropriate, the plural shall include the singular and the singular shall include the plural. In the event of any conflict between the terms and conditions of an Award Agreement and the Plan, the provisions of the Plan shall control. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. References herein to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan.

(j) Facility of Payment. Any amounts payable hereunder to any individual under legal disability or who, in the judgment of the Committee, is unable to manage properly his financial affairs, may be paid to the legal representative of such individual, or may be applied for the benefit of such individual in any manner that the Committee may select, and the Company shall be relieved of any further liability for payment of such amounts.

(k) Conditions to Delivery of Stock. Nothing herein or in any Award Agreement shall require the Company to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Company, constitute a violation of the Securities Act, any other applicable statute or regulation (including any foreign law or regulation), or the rules of any applicable securities exchange or securities association or other governmental authority, as then in effect. In addition, each Participant who receives an Award under the Plan shall not sell or otherwise dispose of Stock that is acquired upon grant, exercise or vesting of an Award in any manner that would constitute a violation of any applicable federal, state or foreign securities laws, the Plan or the rules, regulations or other requirements of the SEC or any stock exchange upon which the Stock is then listed. At the time of any exercise of an Option or SAR, or at the time of any grant of any other Award, the Company may, as a condition precedent to the exercise of such Option or SAR or settlement of any other Award, require from the Participant (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the holder’s intentions with regard to

the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Company, may be necessary to ensure that any disposition by that holder (or in the event of the holder's death, his or her legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association or governmental authority, as then in effect. Stock or other securities shall not be delivered pursuant to any Award until payment in full of any amount required to be paid pursuant to the Plan or the applicable Award Agreement (including any Exercise Price, grant price, or tax withholding) is received by the Company.

(l) Section 409A of the Code. It is the general intention, but not the obligation, of the Committee to design Awards to comply with or to be exempt from the Nonqualified Deferred Compensation Rules, and Awards will be operated and construed accordingly. Neither this Section 9(l) nor any other provision of the Plan is or contains a representation to any Participant regarding the tax consequences of the grant, vesting, exercise, settlement, or sale of any Award (or the Stock underlying such Award) granted hereunder, and should not be interpreted as such. In no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules. Notwithstanding any provision in the Plan or an Award Agreement to the contrary, in the event that a "specified employee" (as defined under the Nonqualified Deferred Compensation Rules) becomes entitled to a payment under an Award that would be subject to additional taxes and interest under the Nonqualified Deferred Compensation Rules if the Participant's receipt of such payment or benefits is not delayed until the earlier of (i) the date of the Participant's death, or (ii) the date that is six months after the Participant's "separation from service," as defined under the Nonqualified Deferred Compensation Rules (such date, the "***Section 409A Payment Date***"), then such payment or benefit shall not be provided to the Participant until the Section 409A Payment Date. Any amounts subject to the preceding sentence that would otherwise be payable prior to the Section 409A Payment Date will be aggregated and paid in a lump sum without interest on the Section 409A Payment Date. The applicable provisions of the Nonqualified Deferred Compensation Rules are hereby incorporated by reference and shall control over any Plan or Award Agreement provision in conflict therewith.

(m) Status under ERISA. The Plan shall not constitute an "employee benefit plan" for purposes of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(n) Clawback. The Plan and all Awards granted hereunder are subject to any written clawback policies that the Company, with the approval of the Board or an authorized committee thereof, may adopt either prior to or following the Effective Date, including any policy adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the SEC ("***Dodd-Frank***") or that the Company determines should apply to Awards. Any Company policy may subject a Participant's Awards and amounts paid or realized with respect to Awards to reduction, cancellation, forfeiture or recoupment if certain specified events or wrongful conduct occur, including an accounting restatement due to the Company's material noncompliance with financial reporting regulations or other events or wrongful conduct specified in any such clawback policy; provided, however, that in the event that the Company's clawback policy does not comply with the minimum requirements of Dodd-Frank, this Plan and all Awards granted hereunder shall also be subject to any additional requirements of Dodd-Frank.

(o) Plan Effective Date and Term. The Plan was adopted by the Board to be effective on the Effective Date. No Awards may be granted under the Plan on and after the tenth anniversary of the Effective Date, which is August 3, 2028. However, any Award granted prior to such termination (or any earlier termination pursuant to Section 10), and the authority of the Board or Committee to amend,

alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award in accordance with the terms of the Plan, shall extend beyond such termination until the final disposition of such Award.

(p) Sub-Plans. The Committee may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions or taking advantage of specific tax treatment in any jurisdiction. The Committee will establish such sub-plans by adopting supplements or appendices to the Plan setting forth (i) such limitations on the Committee's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All such supplements or appendices so established will be deemed to be part of the Plan, but each supplement or appendix will apply only to Participants within the affected jurisdiction (as determined by the Committee).

10. **Amendments to the Plan and Awards.** The Committee may amend, alter, suspend, discontinue or terminate any Award or Award Agreement, the Plan or the Committee's authority to grant Awards without the consent of stockholders or Participants, except that any amendment or alteration to the Plan, including any increase in any share limitation, shall be subject to the approval of the Company's stockholders not later than the annual meeting next following such Committee action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Committee may otherwise, in its discretion, determine to submit other changes to the Plan to stockholders for approval; provided, that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award. For purposes of clarity, any adjustments made to Awards pursuant to Section 8 will be deemed not to materially and adversely affect the rights of any Participant under any previously granted and outstanding Award and therefore may be made without the consent of affected Participants.

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