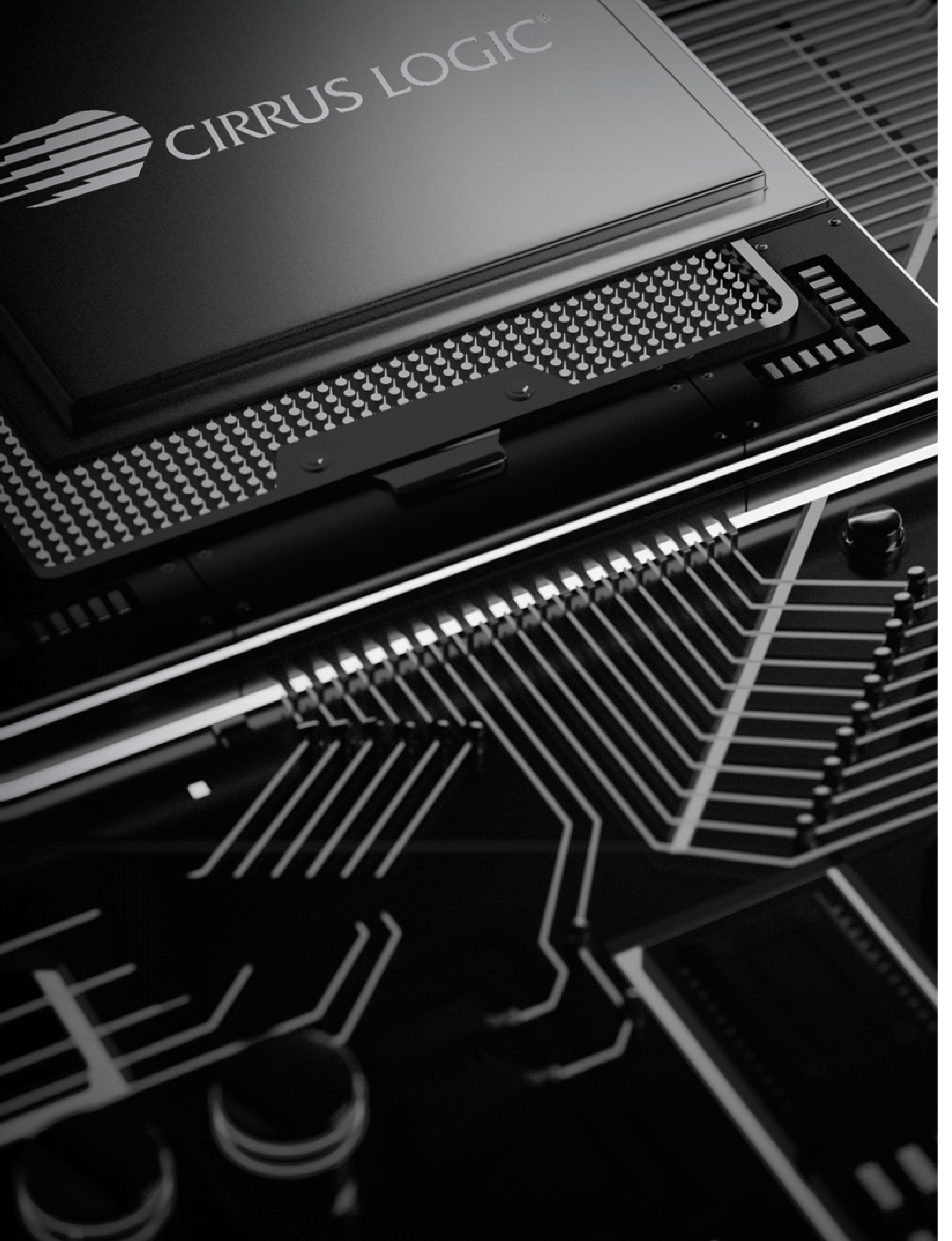
2021 ANNUAL REPORT


CIRRUS LOGIC

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 27, 2021

☐ **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:

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

Securities registered pursuant to Section 12(g) of the Act: None

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

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 $2,238,559,321 based upon the closing price reported on the NASDAQ Global Select Market as of September 26, 2020. 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 19, 2021, the number of outstanding shares of the registrant's common stock, $0.001 par value, was 57,525,391.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information contained in the registrant's proxy statement for its annual meeting of stockholders to be held July 30, 2021 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 27, 2021

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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, 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 or posted on the "Ask the CEO" portion of our website. 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@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 advanced mixed-signal processing to solve complex problems. The Company has identified three growth vectors that are expected to fuel opportunities in the coming years. First, we anticipate strengthening our position as the leading audio supplier in smartphones. Second, we are focused on increasing sales of audio components in applications beyond smartphones. And third, we are drawing on our extensive mixed-signal engineering expertise to develop solutions in new, adjacent product areas that we believe will drive diversification beyond the audio domain. 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

In the fourth quarter of fiscal year 2021, the Company adjusted how we report product line revenue to better represent our business and strategic focus. The revised product line categories are Audio and High-Performance Mixed-Signal, compared to Portable and Non-Portable and Other Products in prior periods. While we continue to see new opportunities for growth in the coming years with audio products in both smartphones and in applications beyond smartphones, we believe our investment in high-performance mixed-signal products will drive product diversification and fuel exciting additional avenues of growth. See Note 9 — Revenues for disclosure of revenue associated with modified product line categories and revenue as previously reported.

The following provides a detailed discussion regarding our audio and high-performance mixed-signal product lines.

Audio Products: Smart codecs, boosted amplifiers, analog-to-digital converters, digital-to-analog converters and standalone digital signal processors.

High-Performance Mixed-Signal Products: Haptic driver and sensing solutions, camera controllers and power-related components.

AUDIO PRODUCTS

Cirrus Logic is a leading supplier of low-power, low-latency, high-precision audio components that are used in a variety of applications including smartphones, tablets, truly wireless headsets, laptops, AR/VR headsets, home theater systems, automotive entertainment systems and professional audio systems. 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, 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 louder, high-fidelity sound, high-quality audio playback, voice capture, hearing augmentation and active noise cancellation.

HIGH-PERFORMANCE MIXED-SIGNAL PRODUCTS

Drawing on our extensive mixed-signal design and low-power processing expertise, Cirrus Logic has expanded beyond our traditional audio domain into new categories where we provide a range of high-performance mixed-signal ICs, including haptic driver and sensing solutions, camera controllers and power-related components. These products help deliver a more immersive and compelling user experience in a wide array of applications including smartphones, tablets, wearables and laptops. This product line also includes legacy industrial and energy applications such as digital utility meters, power supplies, energy control, energy measurement and energy exploration.

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 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 2021, 2020, and 2019, our ten largest end customers, represented approximately 93 percent, 93 percent, and 91 percent, of our sales, respectively. For fiscal years 2021, 2020, and 2019, we had one end customer, Apple, Inc., who purchased through multiple contract manufacturers and represented approximately 83 percent, 79 percent, and 78 percent, of the Company's total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2021, 2020, or 2019.

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 27, 2021, we held approximately 3,670 pending and issued patents worldwide, which include approximately 1,280 granted U.S. patents, 430 U.S. pending patent applications and various international patents and applications. Our U.S. patents expire in calendar years 2021 through 2040. 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 2021, 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: Audio and High-Performance Mixed-Signal, compared to Portable and Non-Portable and Other in prior periods (discussed above). 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 9 — Revenues of the Notes to Consolidated Financial Statements contained in Item 8 for further details including sales by product line. See Note 19 — Segment Information, for details on 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. Cirrus Logic is a leading supplier of audio and high-performance mixed-signal processing solutions including codecs, smart codecs, boosted amplifiers, haptic and sensing solutions, and camera controllers. 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., Bestechnic (Shanghai) Co., 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 consumer products 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.

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.

Governmental Regulations

Our business and operations around the world are subject to government regulation at the national, state or local level addressing, among other matters, applicable environmental laws, health and safety laws and regulations, and laws relating to export controls and economic sanctions.

We believe that our properties and operations comply in all material respects with applicable laws protecting the environment and worker health and safety. As a fabless semiconductor company, we do not manufacture our own products but do maintain research and laboratory space at certain of our facilities to facilitate the development, evaluation and testing of our products. These laboratories may maintain small quantities of hazardous materials. While we believe we are in material compliance with applicable law concerning the safeguarding of these materials and with respect to other matters relating to health, safety and the environment, the risk of liability relating to hazardous conditions or materials cannot be eliminated completely. To date, we have not incurred significant expenditures relating to environmental compliance at our facilities nor have we experienced any material issues relating to employee health and safety.

In addition to environmental and worker health and safety laws, our business is subject to various rules and regulations and executive orders relating to export controls and trade sanctions. Certain of our products are subject to the Export Administration Regulations (EAR), which are administered by the United States Department of Commerce's Bureau of Industry and Security ("BIS"), and we may from time to time be required to obtain an export license before we can export certain products or technology to specified countries or customers. In addition, the EAR imposes broad controls on entities listed on sanctioned persons lists, including the BIS Entity List. If one of our customers is listed on the BIS Entity List or another U.S. government sanctioned persons' list, we may be precluded from doing business with that customer. For example, certain of our Chinese customers, or their affiliated entities, have been added to the BIS Entity List in the last couple of years, which limits our ability to support these customers. We cannot guarantee that export control restrictions or sanctions imposed in the future will not prevent, or materially limit, our ability to conduct business with certain customers or in certain countries. Any failure to comply with these laws could result in governmental enforcement actions, including substantial monetary penalties and denial of export privileges.

For further discussion relating to the potential effects that compliance with government regulation may have upon our business, refer to "Item 1A. Risk Factors."

Human Capital

Our long-term success depends, in part, on our ability to continue to attract and retain highly qualified technical, marketing, engineering, and administrative personnel. Cirrus Logic's goal, as it pertains to our employees, is to foster an outstanding corporate culture that encourages innovation, teamwork, and individual growth. We do this by creating programs and practices that motivate and reward our employees while helping their families thrive. We center everything we do around our corporate vision, mission and core values. The Company strives to cultivate an inclusive workplace where all employees feel they belong, diverse backgrounds and perspectives are valued, and everyone has an opportunity to succeed. We have adopted strategies to create an even more inclusive and positive work environment.

We believe that we offer competitive compensation, training programs, and health and wellness benefits, designed to improve the quality of our employees' lives, build long-term employee loyalty and attract top talent. Cirrus Logic prides itself on maintaining a world-class employee training and professional development program to maximize our employees' success. Our comprehensive benefits, such as health insurance coverage and emotional well-being support are tailored for each country. Additional benefits focus on family care, including fertility coverage, paid parental leave, discounts for childcare, backup care and programs for new mothers. The

Company also provides fitness facilities and classes at several locations, as well as other employee benefits including health screenings, flu shots, ergonomic assessments and pet insurance. Cirrus Logic provides retirement planning programs with matching contributions, such as a 401(k) plan in the United States and defined contribution pension plans for our employees in other countries.

We believe that these benefits, combined with our corporate culture, contribute to low voluntary employee turnover. In fiscal year 2021, our voluntary turnover rate was 6 percent, below the technology industry benchmarks (2020 Radford Salary Increase and Turnover Study).

As of March 27, 2021, we had 1,481 full-time employees, of whom 69 percent were engaged in research and product development activities, 26 percent in sales, marketing, general and administrative activities, and 5 percent in manufacturing-related activities. As of March 27, 2021, 13 percent of our employees worldwide were foreign nationals and 63 percent of our total workforce reside in the U.S., with 37 percent residing offshore. We also employ individuals on a temporary basis and use the services of contractors as necessary. We have never had a work stoppage and the majority of our employees are not represented by collective bargaining agreements.

Cirrus Logic is committed to promoting a safe, secure and productive environment for our employees, customers, and visitors. Our global health and safety policy outlines our commitment to employees. Employees working in our research facilities receive specialized, role-specific health and safety training. The Company takes measures to reduce employee exposure to potential health hazards in our offices and research facilities and conducts regular inspections to maintain a safe and healthy work environment. A risk management system also provides technicians with additional data and information on the potential hazards associated with certain chemicals. In fiscal year 2021, we had no monetary losses as a result of legal proceedings associated with employee health and safety violations.

In response to the COVID-19 pandemic, we implemented a response plan that we believe was in the best interest of our employees, customers, and the communities in which we operate. This included transitioning the majority of our global workforce to a remote work model, while establishing preventative measures to ensure essential on-site employees could safely perform their jobs. Recognizing that the pandemic placed unanticipated demands on all our employees, we also launched initiatives to help people feel connected, and continued to support our local communities in a time of need.

For more information on the commitment to our employees and other Environmental, Social and Governance ("ESG") topics visit https://www.cirrus.com/company/esg. 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.

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, beliefs, 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 material 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.

Risks Related to Operating our Business

We are dependent on third-party manufacturing and supply chain relationships for all 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 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.

Like many others in the semiconductor industry, we have experienced the effects of industry-wide manufacturing capacity constraints. These supply challenges are currently limiting our ability to fully satisfy recent increases in demand for some of our general market products. We do not typically manufacture the majority of these products at more than one foundry or more than one assembly and test subcontractor, and the costs and effort associated with the potential transfer of any portion of our supply chain to a backup supplier would likely be substantial. Therefore, if one or more of our third-party manufacturers and suppliers are not able

to provide us sufficient capacity to meet our current demand, we may not be able to ship our products to customers on time and in the quantity requested, which could cause an unanticipated decline in our sales and damage our existing customer relationships and our ability to establish new customer relationships. Capacity constraints could further result in increased prices in our supply chain, which, if we are unable to increase our selling price to our customers or if we have previously committed to pricing with them, could result in lower revenues and margins that could adversely affect our financial 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.

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 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 27, 2021, March 28, 2020, and March 30, 2019, our ten largest end customers represented approximately 93 percent, 93 percent, and 91 percent of our sales, respectively. For the twelve-month periods ending March 27, 2021, March 28, 2020, and March 30, 2019, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 83 percent, 79 percent and 78 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.

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.

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 or foreign governments may enact 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 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 certain 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 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 from the U.S. to sell to Huawei Technologies Co., Ltd. ("Huawei"), it is limited to specific products and end customer uses and there is no guarantee that we will be able to obtain a license for the manufacture or sale of future products or for other entities if the U.S government adds other companies to the BIS Entity List and/or subjects them to additional trade restrictions. Despite our receipt of licenses, BIS 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 U.S. and other foreign governments. If significant tariffs or other restrictions are placed on goods exported from China or any related counter-measures are taken, 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.

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. Unauthorized insiders and/or third-party hackers (including organized crime and/or foreign government agents) 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, phishing attempts, ransomware and other malicious software programs that attack our websites, computer systems, access to critical information, products or otherwise exploit any security vulnerabilities. This risk may be heightened when our employees are working remotely.

For example, we became aware that one of our vendors providing IT infrastructure management software, SolarWinds Corporation, had been compromised by cyberattacks. Although we have not identified any

compromise of our IT systems due to the use of SolarWinds software to date, we continue to monitor our network for any potential impact related to the SolarWinds cyberattack. Any breach of our security measures or the 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 the SolarWinds cyberattack, could result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business.

Any breach of our security measures or the 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 ransomware, 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.

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 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, commonly referred to as COVID-19. With the pandemic on-going, we are unable to predict the full extent and nature of the impact that COVID-19 may have on our business, financial condition and results of operations. The COVID-19 pandemic will likely heighten or exacerbate many of the other risks described in the risk factors listed in our filings with the Securities and Exchange Commission.

Although we did not experience any significant disruptions to our supply chain due to COVID-19 in fiscal year 2021, 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 and costs, which, if those disruptions were to intensify, could affect our ability to timely deliver our products.

Although we did not experience a significant reduction in our overall productivity due to COVID-19 during fiscal year 2021, we have experienced, and expect to continue to experience, disruptions to our business operations, including those resulting from remote work arrangements for the majority of our employees, the implementation of certain measures at our facilities worldwide to protect our employees' health and safety, 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 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 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., Bestechnic (Shanghai) Co., 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. 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 or other technologies. 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.

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

International sales represented 98 percent of our net sales in each of fiscal years 2021 and 2019, and 99 percent of our net sales in fiscal year 2020. 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.

Because we depend on subcontractors internationally to perform key manufacturing functions for us, we are subject to political, economic, climate 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. The potential physical impacts of climate change, including high heat events, power or water shortages, fires, rising sea levels, changes in storm patterns or intensities, or other extreme weather conditions, are uncertain and could impact operations at our subcontractors. Any disruption to our manufacturing cycle could adversely affect our operations and financial results.

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 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.

The United Kingdom (U.K.) formally left the E.U. on January 31, 2020. During the ensuing “transition period,” which ended on December 31, 2020, an agreement on the key terms of the U.K.’s withdrawal and its future relationship with the E.U. (the “Trade and Cooperation Agreement”), was negotiated and agreed by the U.K. and E.U. Council (acting on behalf of the E.U. nation governments), thus avoiding a “no-deal” outcome. The terms of the Trade and Cooperation Agreement were provisionally in effect since January 1, 2021, and formally entered into force on 1 May 2021 following ratification by both sides. However, the Trade and Cooperation Agreement does not cover all aspects of the ongoing relationship between the U.K. and E.U. member states. The ongoing nature of the separation process, coupled with the potential for new laws in the U.K., 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 may negatively impact our effective tax rate, restrictions on imports and exports between the U.K. and E.U. member states, and increased regulatory complexities may adversely affect our operations and financial results.

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.

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, particularly for employees with technical backgrounds, 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 because there is only a limited number of individuals in the job market with the requisite skills.

In addition, there is a risk that 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 engineering personnel. In the United States, where the majority of our research and development teams are located, future tightening of immigration controls may adversely affect the employment status of non-U.S. engineers and other key technical employees or further impact our ability to hire new non-U.S. employees. Moreover, certain immigration policies in the United States may make it more difficult for us to recruit and retain highly skilled foreign national graduates of universities in the United States, additionally limiting the pool of available talent. In the U.K., where we maintain several design centers, changes to the immigration system brought about by Brexit will likely make it more difficult to employ E.U. nationals to work in the U.K., also limiting our ability to attract and retain qualified technical personnel.

There are significant costs to the Company associated with attracting and retaining qualified personnel 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.

Risks Related to Research and Development and New Technologies

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.

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 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 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.

Security vulnerabilities may exist in our products, which could expose us to significant costs and damage our business.

Our hardware and software products, including software tools deployed by our customers, may be vulnerable to cyber-attacks. An attack could disrupt the proper functioning of our products, disrupt or cause errors in our customers' products, allow unauthorized access to our or our customers' proprietary information, or cause other destructive outcomes. A failure to prevent or mitigate such an attack could harm our business reputation, diminish our competitive position in the market, and expose us to significant expense and liability.

The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, phishing attempts, ransomware, 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, an inability to access critical information, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions.

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. 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.

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.

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.

Risks Related to our Financial Performance

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.

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.

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 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 27, 2021, 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.

Legal and Regulatory Risks

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.

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.

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.

Our Bylaws provide, to the fullest extent permitted by applicable law, that the Court of Chancery of the State of Delaware or, if the Court of Chancery does not have jurisdiction, a state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware, will be the exclusive forum for certain legal actions between the Company and its stockholders, which could increase costs to bring a claim, discourage claims, or limit the ability of the Company's stockholders to bring a claim in a judicial forum viewed by the stockholders as more favorable for disputes with the Company or the Company's directors, officers, or other employees.

Our Bylaws provide, to the fullest extent permitted by law, that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware or, if the Court of Chancery does not have jurisdiction, a state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware, will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company; (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company or the Company's stockholders; (c) any action asserting a claim against the Company or any director, officer, or other employee of the Company pursuant to any provision of the Company's Certificate of Incorporation or Bylaws (as either may be amended from time to time) or the Delaware General Corporation Law; and (d) any action asserting a claim against the Company or any director, officer, or other employee of the Company governed by the internal affairs doctrine.

The forum selection provision may increase costs to bring a claim, discourage claims, or limit a stockholder's ability to bring a claim in a judicial forum that such stockholder finds favorable for disputes with the Company or the Company's directors, officers, or other employees, which may discourage such lawsuits against the Company or the Company's directors, officers, and other employees. Alternatively, if a court were to find the forum selection provision contained in the Company's Bylaws to be inapplicable or unenforceable in an action, the Company could incur additional costs associated with resolving such action in other jurisdictions. The exclusive forum provision in the Bylaws will not preclude or decrease the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Securities Exchange Act of 1934 or the Securities Act of 1933, or the respective rules and regulations promulgated thereunder.

General Risk Factors

Corporate social responsibility initiatives, specifically related to environmental, social and governance ("ESG") matters, may impose additional costs and expose us to emerging areas of risk.

Providing public disclosures regarding ESG matters, for example sustainability reporting, is becoming more broadly expected by investors, shareholders and other third parties. Certain organizations currently, and other organizations may in the future, use such disclosures to evaluate companies regarding ESG activities and publish scores or ratings based upon ESG or "sustainability" metrics. Potential and current investors may use the Company's ESG ratings to guide their investment strategies and may decrease or withdraw investment, or alternatively increase investment in our competitors, if our ESG performance is perceived to be lagging. The qualitative and quantitative criteria regarding ESG may continue to evolve and we may incur additional costs to satisfy these expectations. We may communicate certain goals or initiatives regarding our ESG activities from time to time, and if we are unable to meet those goals or they are perceived to be inadequate, we could be exposed to reputational damage and other emerging areas of risk.

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 and/or information security breaches, and other unforeseen catastrophes that could adversely affect our financial condition and results of operations.

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 27, 2021, 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 a previous acquisition, we acquired a building located in Edinburgh, Scotland, United Kingdom. This building consisted of approximately 50,000 square feet of office space. We sold the building in the fourth quarter of fiscal year 2019 and recorded a $4.9 million gain on the sale. The 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 27, 2021, 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
	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 19, 2021, there were approximately 366 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 30, 2021 (the "Proxy Statement") is incorporated herein by reference.

Dividend Policy

We have not paid any dividends on our capital stock. We do not anticipate declaring or paying in the foreseeable future any dividends on our capital stock. Any future determination to pay dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend upon our results of operations, financial condition, contractual restrictions, capital requirements, and other factors. Our future ability to pay dividends on our capital stock may be limited by the terms of any future debt that we may incur or any preferred securities that we may issue in the future.

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 27, 2021 (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 27, 2020 - January 23, 2021	—	$ —	—	$ —
January 24, 2021 - February 20, 2021	283	88.29	283	380,015
February 21, 2021 - March 27, 2021	235	85.26	235	360,015
Total	518	$86.92	518	$360,015

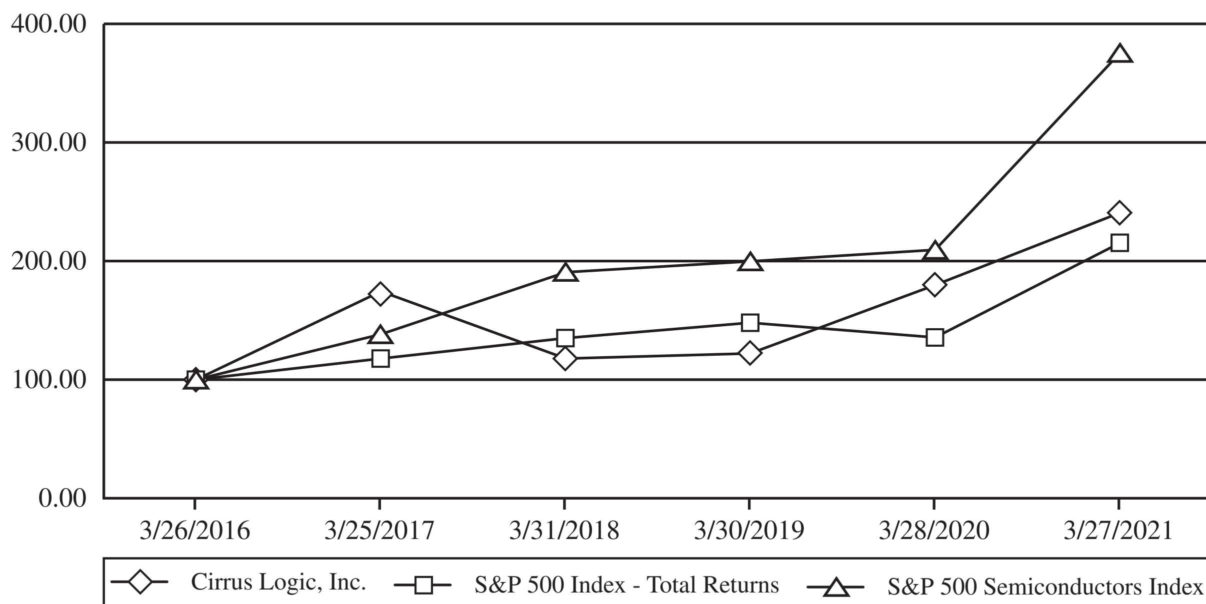
(1) The Company currently has two active share repurchase programs: the 2019 share repurchase program with a remaining $10.0 million available for repurchase as of March 27, 2021, and the $350 million share repurchase program authorized by the Board of Directors in January 2021. The Company repurchased 0.5 million shares of its common stock for $45.0 million during the fourth quarter of fiscal year 2021. 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 27, 2021. 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 2021



	3/26/2016	3/25/2017	3/31/2018	3/30/2019	3/28/2020	3/27/2021
Cirrus Logic, Inc.	100.00	174.24	117.87	122.05	179.63	240.81
S&P 500 Index	100.00	117.61	135.17	148.01	135.35	215.31
S&P 500 Semiconductors Index	100.00	138.09	190.71	199.92	209.31	375.65

(1) The graph assumes that $100 was invested in our common stock and in each index at the market close on March 26, 2016, 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***

This item is no longer required as the Company has elected to early adopt the amendment to Regulation S-K that eliminates Item 301.

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. 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 2021 and 2020 asset disposals related to the microelectromechanical systems ("MEMS") restructuring.
- We evaluate goodwill and other intangible assets for impairment. 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. Following the quantitative test, an impairment charge would be recorded for the amount the carrying value exceeds the calculated fair value. 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 2021, 2020, and 2019. There were no material other intangible asset impairments in fiscal years 2021, 2020, and 2019.

- 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.

  Although we believe our assumptions, judgments and estimates are reasonable, the provision for income taxes in our consolidated financial statements could be significantly impacted by changes in tax laws, interpretations of tax laws, and the resolution of any tax audits. 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. The ultimate settlement of uncertain tax positions may differ from our estimates, which could result in the recognition of a tax benefit or an additional charge to the income tax provision in the relevant period. See Note 18 — Income Taxes of the Notes to Consolidated Financial Statements contained in Item 8 for additional details.

Recently Issued Accounting Pronouncements

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. The Company adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

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 recorded book value exceeds the fair value. This ASU is effective for annual periods beginning after December 15, 2019, including interim periods. The Company adopted this ASU in the first quarter of fiscal year 2021, 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. The Company adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU provides guidance on the accounting for implementation costs related to a cloud computing arrangement that is a service contract. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. The Company adopted this ASU in the first quarter of fiscal year 2021, with prospective application and no material impact to the financial statements.

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. 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 2022.

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. 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 2022.

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 adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

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 audio and high-performance mixed-signal products. See Item 1. Business for discussion of our change to product line classifications in the current fiscal year. In fiscal year 2021, the Company made excellent progress executing on the growth vectors and strategic initiatives that we believe will contribute to our continued success. In the past year, we expanded our position in audio in Android smartphones, gained traction in applications beyond smartphones and further diversified our product portfolio with the introduction of our first camera controller. Design activity and development were robust across our product lines and we made substantial R&D investment in critical technologies and intellectual property that are important to our roadmap.

Fiscal Year 2021

Fiscal year 2021 net sales of $1.37 billion represented an increase over fiscal year 2020 net sales of $1.28 billion. High-performance mixed-signal product line sales of $265.2 million represented a 54.9 percent increase from fiscal year 2020 sales of $171.2 million, primarily attributable to content gains in smartphones. Audio product line sales of $1.10 billion in fiscal year 2021 decreased from fiscal year 2020 sales of

$1.11 billion, attributable to headwinds in wired headset codecs and decreased smart codec sales in Android. The decrease was partially offset by higher unit volumes in smartphones as well as content gains in smartphones, tablets and wearables.

Overall, gross margin for fiscal year 2021 was 51.7 percent. The decrease in gross margin for fiscal year 2021 was primarily due to a shift in product mix and typical pricing reductions on certain products, partially offset by cost reductions associated with exiting the MEMS product line. The Company's number of employees increased to 1,481 as of March 27, 2021. The Company achieved net income of $217.3 million in fiscal year 2021, which included an income tax provision in the amount of $27.9 million.

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. Audio product line sales of $1.11 billion in fiscal year 2020 increased from fiscal year 2019 sales of $1.04 billion, attributable to strong demand for components shipping in smartphones. High-performance mixed signal product line sales of $171.2 million represented a 18.3% increase from fiscal year 2019 sales of $144.7 million attributable to increased content and sales of haptic drivers.

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 versus fiscal year 2019. 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.

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 27, 2021	March 28, 2020	March 30, 2019
Net sales	100%	100%	100%
Gross margin	52%	53%	50%
Research and development	25%	27%	32%
Selling, general and administrative	10%	10%	11%
Restructuring	—%	2%	—%
Gain on sale of assets	—%	—%	(1)%
Income from operations	17%	14%	8%
Interest income	1%	—%	1%
Interest expense	—%	—%	—%
U.K. pension settlement	—%	—%	(1)%
Other expense	—%	—%	—%
Income before income taxes	18%	14%	8%
Provision for income taxes	2%	2%	—%
Net income	16%	12%	8%

Net Sales

We report sales in two product categories: audio products and high-performance mixed-signal products. Our sales by product line are shown in the table below (in thousands). Prior periods were retrospectively adjusted to conform to the fiscal year 2021 product line categories. See Note 9 — Revenues for disclosure of revenue

associated with modified product line categories and revenue as previously reported under the previous product line groupings.

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
Audio Products	$1,104,060	$1,109,958	$1,040,866
High-Performance Mixed-Signal Products	265,170	171,166	144,658
	$1,369,230	$1,281,124	$1,185,524

Net sales for fiscal year 2021 increased by 6.9 percent, to $1.37 billion from $1.28 billion in fiscal year 2020. The increase in net sales reflects a $94.0 million increase in high-performance mixed-signal product sales, or 54.9 percent, from fiscal year 2020 sales of $171.2 million, which was primarily attributable to content gains in smartphones. This increase was offset by a $5.9 million decrease in audio product sales. The audio product line experienced a decrease in net sales attributable to headwinds in wired headset codecs and decreased smart codec sales in Android. The decrease was partially offset by higher unit volumes in smartphones as well as content gains in smartphones, tablets and wearables.

Net sales for fiscal year 2020 increased by 8.1%, to $1.28 billion from $1.19 billion in fiscal year 2019. The increase in net sales reflects a $69.1 million increase in audio product sales and a $26.5 million increase in high-performance mixed-signal product sales. The audio 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 were offset somewhat by a reduction in smart codec revenue. High-performance mixed-signal product line sales of $171.2 million represented an 18.3% increase from fiscal year 2019 sales of $144.7 million, which was primarily attributable to increased content and sales of haptic drivers.

International sales, 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 years 2021 and 2020 and $1.2 billion in fiscal year 2019, representing 98 percent of net sales in fiscal years 2021 and 2019, and 99 percent in fiscal year 2020. Our sales are denominated primarily in U.S. dollars.

Gross Margin

Overall gross margin of 51.7 percent for fiscal year 2021 reflects a decrease from fiscal year 2020 gross margin of 52.6 percent. The decrease was primarily attributable to a shift in product mix and typical pricing reductions on certain products. This was partially offset by cost reductions associated with exiting the MEMS product line. 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 2021.

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 versus fiscal year 2019. 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.

Research and Development Expenses

Fiscal year 2021 research and development expenses of $342.8 million reflect a decrease of $4.9 million, or 1 percent, from fiscal year 2020. The overall decrease was attributable to reduced amortization of acquisition intangibles, travel and employee events expenses, depreciation and amortization costs on non-acquisition-related intangibles, and product development costs after exiting the MEMS product line, offset by increases in employee-related expenses, primarily salaries, variable compensation and stock-based compensation.

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 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.

Selling, General and Administrative Expenses

Fiscal year 2021 selling, general and administrative expenses of $127.0 million reflect a decrease of $4.1 million, or 3 percent, compared to fiscal year 2020. The decrease was primarily attributable to reduced travel and employee events expenses in fiscal year 2021.

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.

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 $0.4 million in the first quarter of fiscal year 2021 and $21.9 million in fiscal year 2020, as part of the MEMS Restructuring, which included equipment disposal costs, asset impairment and write-off of intangible assets, and other nonrecurring costs. No additional restructuring charges were incurred for the remainder of fiscal year 2021. 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 2021, 2020, and 2019, was $6.3 million, $10.5 million, and $8.0 million, respectively. The fluctuations in interest income in fiscal year 2021 and 2020 versus prior years were a function of earnings on average cash, cash equivalent, and marketable securities balances throughout the year.

Interest Expense

The Company reported interest expense of $1.1 million, $1.1 million and $1.1 million for fiscal years 2021, 2020, and 2019, 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 Accumulated Other Comprehensive Income ("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 Income (Expense)

In fiscal years 2021, 2020, and 2019 the Company reported $2.8 million, $(1.6) million, and $(0.2) million respectively, in other income (expense), primarily related to remeasurement on foreign currency denominated monetary assets and liabilities.

Provision for Income Taxes

We recorded income tax expense of $27.9 million in fiscal year 2021 on a pre-tax income of $245.2 million, yielding an effective tax rate of 11.4 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, the release of prior year unrecognized tax benefits during fiscal year 2021, and excess tax benefits from stock-based compensation.

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 tax 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 pre-tax income of $93.7 million, yielding an effective tax provision 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.

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

Outlook

Given the wide array of uncertainties surrounding the implications of the COVID-19 pandemic, industry-wide supply constraints and the timing of when these challenges will be alleviated, it is difficult to predict our revenue, gross margin and operating expense outlook for fiscal year 2022. Cirrus Logic made meaningful progress in fiscal year 2021 however, with numerous strategic initiatives that we believe position the Company for growth in the coming years. In fiscal year 2022, we expect gross margins to be impacted by capacity constraints driving an increase in third-party manufacturing costs. Additionally, with strong customer engagements and content gains in new products coming to market, we expect revenue growth to accelerate.

Liquidity and Capital Resources

In fiscal year 2021, cash flow from operations was $348.9 million. Operating cash flow during fiscal year 2021 was related to the cash components of our net income and a $33.2 million favorable change in working capital. The favorable change in working capital was driven primarily by a decrease in accounts receivable and increase in accounts payable, partially offset by an increase in inventories. 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 during the period.

In fiscal year 2021, the Company used $77.7 million in cash for investing activities primarily related to $57.2 million in net purchases of marketable securities, and capital expenditures and technology investments of $20.5 million. In fiscal year 2020, the Company used approximately $100.2 million in cash for investing activities principally 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 primarily related to $28.0 million in net purchases of marketable securities, and capital expenditures and technology investments of $35.8 million.

In fiscal year 2021, the Company used $121.2 million related to financing activities. In fiscal year 2020, the Company used $119.6 million in financing activities. In fiscal year 2019, the Company used $171.5 million in financing activities. In fiscal years 2021, 2020, and 2019, the Company utilized approximately $110.0 million, $120.0 million, and $160.0 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 27, 2021, 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 27, 2021, 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 27, 2021:

	Payment due by period (in thousands)				
	< 1 year	1-3 years	3-5 years	> 5 years	Total
Facilities leases, net	$ 13,747	$28,265	$25,386	$139,915	$207,313
Wafer purchase commitments	220,170	—	—	—	220,170
Assembly purchase commitments	4,009	—	—	—	4,009
Outside test purchase commitments	8,137	—	—	—	8,137
Other purchase commitments	34,025	36,096	—	—	70,121
Interest on revolving line of credit (1)	323	—	—	—	323
Total	$280,411	$64,361	$25,386	$139,915	$510,073

(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 $32.9 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-functional currency 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 27, 2021. 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 27, 2021 and March 28, 2020, a hypothetical 100 basis point increase in interest rates across all maturities would result in a $6.2 million and $5.3 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 2021, 2020, and 2019, 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-functional currency 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***

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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 27, 2021 and March 28, 2020, 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 27, 2021, 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 27, 2021 and March 28, 2020, and the results of its operations and its cash flows for each of the three fiscal years in the period ended March 27, 2021, 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 27, 2021, 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 21, 2021 expressed an unqualified opinion thereon.

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 27, 2021, the Company's net inventory balance was $173.3 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 $32.9 million as of March 27, 2021. 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 2021 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 21, 2021

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 27, 2021, 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 27, 2021, 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 27, 2021 and March 28, 2020, 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 27, 2021, and the related notes and our report dated May 21, 2021 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 21, 2021

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

	March 27, 2021	March 28, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 442,164	$ 292,119
Marketable securities	55,697	22,008
Accounts receivable, net	108,712	153,998
Inventories	173,263	146,725
Prepaid assets	37,576	23,594
Other current assets	25,107	11,752
Total current assets	842,519	650,196
Long-term marketable securities	312,759	283,573
Right-of-use lease assets	133,548	141,274
Property and equipment, net	154,942	158,244
Intangibles, net	22,031	34,430
Goodwill	287,518	287,088
Deferred tax assets	9,977	10,052
Other assets	67,320	27,820
Total assets	$1,830,614	$1,592,677
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 102,744	$ 78,412
Accrued salaries and benefits	54,849	42,439
Software license agreements	28,006	10,888
Current lease liabilities	14,573	13,580
Other accrued liabilities	13,438	13,318
Total current liabilities	213,610	158,637
Long-term liabilities:		
Software license agreements	36,096	3,806
Non-current income taxes	64,020	71,143
Non-current lease liabilities	127,883	129,312
Total long-term liabilities	227,999	204,261
Stockholders' equity:		
Preferred stock, 5.0 million shares authorized but unissued	—	—
Common stock, $0.001 par value, 280,000 shares authorized, 57,652 shares and 58,242 shares issued and outstanding at March 27, 2021 and March 28, 2020, respectively	58	58
Additional paid-in capital	1,498,761	1,434,871
Accumulated deficit	(112,689)	(201,681)
Accumulated other comprehensive income (loss)	2,875	(3,469)
Total stockholders' equity	1,389,005	1,229,779
Total liabilities and stockholders' equity	$1,830,614	$1,592,677

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 27, 2021	March 28, 2020	March 30, 2019
Net sales	$1,369,230	$1,281,124	$1,185,524
Cost of sales	661,929	606,957	588,027
Gross profit	707,301	674,167	597,497
Operating expenses			
Research and development	342,759	347,647	375,139
Selling, general and administrative	127,008	131,115	126,502
Restructuring costs	352	21,925	—
Gain on sale of assets	—	—	(4,913)
Total operating expenses	470,119	500,687	496,728
Income from operations	237,182	173,480	100,769
Interest income	6,281	10,458	8,017
Interest expense	(1,057)	(1,057)	(1,057)
U.K. pension settlement	—	—	(13,768)
Other income (expense)	2,840	(1,615)	(217)
Income before income taxes	245,246	181,266	93,744
Provision for income taxes	27,902	21,768	3,753
Net income	217,344	159,498	89,991
Basic earnings per share	$ 3.74	$ 2.74	$ 1.50
Diluted earnings per share	$ 3.62	$ 2.64	$ 1.46
Basic weighted average common shares outstanding	58,106	58,317	60,116
Diluted weighted average common shares outstanding	60,060	60,462	61,583

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 27, 2021	March 28, 2020	March 30, 2019
Net income	$217,344	$159,498	$ 89,991
Other comprehensive income (loss), before tax			
Foreign currency translation gain (loss)	1,862	68	(3,125)
Unrealized gain (loss) on marketable securities	5,673	(2,803)	2,823
U.K. pension settlement	—	—	13,814
Cumulative effect of adoption of ASU 2018-02	—	(257)	—
Benefit (provision) for income taxes	(1,191)	589	(3,217)
Comprehensive income	$223,688	$157,095	$100,286

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 27, 2021	March 28, 2020	March 30, 2019
Cash flows from operating activities:			
Net income	$ 217,344	$ 159,498	$ 89,991
Adjustments to net cash provided by operating activities:			
Depreciation and amortization	47,083	68,237	79,826
Stock-based compensation expense	56,762	53,757	49,689
Deferred income taxes	(5,581)	(5,888)	1,717
(Gain) loss on retirement or write-off of long-lived assets	371	379	(2,713)
Charges for defined benefit pension plan	—	—	11,189
Other non-cash (gains) / charges	(622)	697	429
MEMS restructuring charges	352	21,925	—
Net change in operating assets and liabilities:			
Accounts receivable, net	45,286	(33,082)	(14,316)
Inventories	(26,538)	17,765	40,636
Other assets	843	1,379	965
Accounts payable	21,104	27,626	(21,965)
Accrued salaries and benefits	12,410	11,470	(6,432)
Income taxes payable	(18,185)	(9,809)	(7,974)
Other accrued liabilities	(1,684)	(18,139)	(14,348)
Net cash provided by operating activities	348,945	295,815	206,694
Cash flows from investing activities:			
Maturities and sales of available-for-sale marketable securities	168,328	170,818	70,840
Purchases of available-for-sale marketable securities	(225,528)	(249,463)	(98,864)
Purchases of property, equipment and software	(18,253)	(15,656)	(31,615)
Investments in technology	(2,222)	(5,920)	(4,143)
Proceeds from the sale of assets	—	—	9,120
Net cash used in investing activities	(77,675)	(100,221)	(54,662)
Cash flows from financing activities:			
Issuance of common stock, net of shares withheld for taxes	7,128	18,635	1,616
Repurchase of stock to satisfy employee tax withholding obligations	(18,367)	(18,280)	(13,083)
Repurchase and retirement of common stock	(109,986)	(120,002)	(159,997)
Net cash used in financing activities	(121,225)	(119,647)	(171,464)
Net increase (decrease) in cash and cash equivalents	150,045	75,947	(19,432)
Cash and cash equivalents at beginning of period	292,119	216,172	235,604
Cash and cash equivalents at end of period	$ 442,164	$ 292,119	$ 216,172
Supplemental disclosures of cash flow information			
Cash payments during the year for:			
Income taxes	$ 28,988	$ 22,321	$ 20,617
Interest	610	457	612

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	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Deficit	Income / (Loss)	Total
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
Net income	—	—	—	217,344	—	217,344
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	4,482	4,482
Change in foreign currency translation adjustments	—	—	—	—	1,862	1,862
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	862	1	7,128	(18,367)	—	(11,238)
Repurchase and retirement of common stock	(1,452)	(1)	—	(109,985)	—	(109,986)
Amortization of deferred stock compensation	—	—	56,762	—	—	56,762
Balance, March 27, 2021	57,652	$58	$1,498,761	$(112,689)	$ 2,875	$1,389,005

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, 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 2021, 2020 and 2019 were 52-week years.

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 $1.2 million and $2.8 million, in fiscal year 2021 and 2020, respectively. Inventory charges in fiscal year 2021 and 2020 related to a combination of quality issues and inventory exceeding demand.

Inventories were comprised of the following (in thousands):

	March 27, 2021	March 28, 2020
Work in process	$ 92,073	$ 82,494
Finished goods	81,190	64,231
	$173,263	$146,725

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*". The Company recorded $0.1 million and $9.6 million of equipment disposal charges, during fiscal year 2021 and the fourth quarter of fiscal year 2020, respectively, 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 27, 2021	March 28, 2020
Land	$ 23,853	$ 23,853
Buildings	63,803	63,803
Furniture and fixtures	23,733	23,059
Leasehold improvements	52,041	51,525
Machinery and equipment	160,400	159,201
Capitalized software	26,152	25,942
Construction in progress and other	950	892
Total property, plant and equipment	350,932	348,275
Less: Accumulated depreciation and amortization	(195,990)	(190,031)
Property, plant and equipment, net	$ 154,942	$ 158,244

Depreciation and amortization expense on property, plant, and equipment for fiscal years 2021, 2020, and 2019 was $24.9 million, $31.9 million, and $32.0 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 2021, 2020, and 2019. 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 2021 or 2019.

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 U.S. 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 one contract manufacturer, Henan Fuchi, who represented 25 percent of our consolidated gross trade accounts receivable as of the end of fiscal year 2021. Hongfujin Precision and Pegatron represented

29 percent and 20 percent, respectively of our consolidated gross trade accounts receivable as of the end of fiscal year 2020. 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 2021 and 2020.

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 2021, 2020, and 2019, our ten largest end customers represented approximately 93 percent, 93 percent, and 91 percent, of our sales, respectively. For fiscal years 2021, 2020, and 2019, we had one end customer, Apple Inc., who purchased through multiple contract manufacturers and represented approximately 83 percent, 79 percent, and 78 percent, of the Company’s total sales, respectively. No other customer or distributor represented more than 10 percent of net sales in fiscal years 2021, 2020, or 2019.

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, $0.9 million, and $1.0 million, in fiscal years 2021, 2020, and 2019, 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 2021, 2020, and 2019, (in thousands, except per share amounts):

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
Numerator:			
Net income	$217,344	$159,498	$89,991
Denominator:			
Weighted average shares outstanding	58,106	58,317	60,116
Effect of dilutive securities	1,954	2,145	1,467
Weighted average diluted shares	60,060	60,462	61,583
Basic earnings per share	$ 3.74	$ 2.74	$ 1.50
Diluted earnings per share	$ 3.62	$ 2.64	$ 1.46

The weighted outstanding shares excluded from our diluted calculation for the years ended March 27, 2021, March 28, 2020, and March 30, 2019 were 187 thousand, 543 thousand, and 872 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, in fiscal year 2019, the settlement of our defined benefit pension plan assets. See Note 17 — Accumulated Other Comprehensive Income (Loss) for additional discussion.

Recently Issued Accounting Pronouncements

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. The Company adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

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 recorded book value exceeds the fair value. This ASU is effective for annual periods beginning after December 15, 2019, including interim periods. The Company adopted this ASU in the first quarter of fiscal year 2021, 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. The Company adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.* This ASU provides guidance on the accounting for implementation costs related to a cloud computing arrangement that is a service contract. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. The Company adopted this ASU in the first quarter of fiscal year 2021, with prospective application and no material impact to the financial statements.

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. 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 2022.

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. 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 2022.

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 adopted this ASU in the first quarter of fiscal year 2021, with no material impact to the financial statements.

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 27, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$348,971	$3,403	$(313)	$352,061
Non-U.S. government securities	13,462	172	(1)	13,633
Agency discount notes	2,759	4	(1)	2,762
Total securities	$365,192	$3,579	$(315)	$368,456

The Company typically invests in highly-rated securities with original maturities generally ranging from one to three years. The Company's specifically identified gross unrealized losses of $0.3 million related to securities with total amortized costs of approximately $92.0 million at March 27, 2021. There were no securities that have been in a continuous unrealized loss position for more than 12 months as of March 27, 2021. 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. The Company records an allowance for credit loss when a decline in investment market value is due to credit-related factors. When evaluating an investment for 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 27, 2021, the Company does not consider any of its investments to be impaired.

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-U.S. government securities	12,483	260	—	12,743
U.S. Treasury securities	8,839	167	—	9,006
Total securities	$307,990	$1,584	$(3,993)	$305,581

The Company's specifically identified gross unrealized losses of $4.0 million related to securities with total amortized costs of approximately $172.9 million at March 28, 2020. There were no securities that had been in a continuous unrealized loss position for more than 12 months as of March 28, 2020. As of March 28, 2020, the Company did not consider any of its investments to be impaired.

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

	March 27, 2021		March 28, 2020	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within 1 year	$ 54,895	$ 55,698	$ 22,012	$ 22,008
After 1 year	310,297	312,758	285,978	283,573
Total	$365,192	$368,456	$307,990	$305,581

4. Fair Value of Financial Instruments

The Company has determined that the 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 27, 2021, there are no amounts drawn under the facility and the fair value is zero.

As of March 27, 2021 and March 28, 2020, 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 27, 2021 and March 28, 2020.

The following summarizes the fair value of our financial instruments at March 27, 2021 (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	$405,819	$ —	$—	$405,819
Available-for-sale securities				
Corporate debt securities	$ —	$352,061	$—	$352,061
Non-U.S. government securities	—	13,633	—	13,633
Agency discount notes	—	2,762	—	2,762
	$ —	$368,456	$—	$368,456

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-U.S. government securities	—	12,743	—	12,743
U.S. Treasury securities	9,006	—	—	9,006
	$ 9,006	$296,575	$—	$305,581

5. Derivative Financial Instruments

Foreign Currency Forward Contracts

Beginning in fiscal year 2020, the Company began using foreign currency forward contracts to reduce the earnings impact that exchange rate fluctuations have on non-functional currency 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-functional currency 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 27, 2021, the Company held one foreign currency forward contract denominated in British Pound Sterling with a notional value of $13.6 million. The fair value of this contract was not material as of March 27, 2021.

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

	Fiscal Years Ended			
	March 27, 2021	March 28, 2020	March 30, 2019	Location
Gain (loss) recognized in income				
Foreign currency forward contracts	$3,212	$(4,226)	$—	Other income (expense)

6. Accounts Receivable, net

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

	March 27, 2021	March 28, 2020
Gross accounts receivable	$108,712	$153,998
Allowance for doubtful accounts	—	—
Accounts receivable, net	$108,712	$153,998

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 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	—
Bad debt expense, net of recoveries	—
Balance, March 27, 2021	$ —

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 $22.0 million and $34.4 million at March 27, 2021 and March 28, 2020, respectively.

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

Intangible Category / Weighted-Average Amortization period (in years)	March 27, 2021		March 28, 2020	
	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 (7.0)	111,005	(105,870)	111,005	(100,145)
In-process research & development (“IPR&D”) (7.5)	70,936	(62,885)	70,936	(58,284)
Trademarks and tradename (10.0)	3,037	(2,717)	3,037	(2,589)
Customer relationships (10.0)	15,381	(10,346)	15,381	(8,808)
Backlog (a)	220	(220)	220	(220)
Non-compete agreements (a)	470	(470)	470	(470)
Technology licenses (3.0)	25,945	(22,455)	23,820	(19,923)
Total	$228,824	$(206,793)	$226,699	$(192,269)

(a) Intangible assets are fully amortized.

Amortization expense for intangibles in fiscal years 2021, 2020, and 2019 was $14.5 million, $28.3 million, and $47.8 million, respectively. The following table details the estimated aggregate amortization expense for all intangibles owned as of March 27, 2021, for each of the five succeeding fiscal years and in the aggregate thereafter (in thousands):

For the year ended March 26, 2022	$12,533
For the year ended March 25, 2023	$ 6,726
For the year ended March 30, 2024	$ 2,231
For the year ended March 29, 2025	$ 541
For the year ended March 28, 2026	$ —
Thereafter	$ —

The goodwill balance included on the Consolidated Balance Sheet is $287.5 million and $287.1 million at March 27, 2021 and March 28, 2020, 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 27, 2021, 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 by product line and ship to location of the customer. During the fourth quarter of fiscal year 2021, we adjusted how we report product line revenue to better represent our business and strategic focus. Sales will be designated in the product line categories of Audio and High-Performance Mixed-Signal.

Total net sales based on the product line disaggregation criteria described above are shown in the table below (in thousands). Prior periods were retrospectively adjusted to conform to the fiscal year 2021 product line categories.

Fiscal Year 2021	Portable Products	Non-Portable and Other Products	Total
Audio Products	$ 998,445	$105,615	$1,104,060
High-Performance Mixed-Signal Products	236,053	29,117	265,170
Total	$1,234,498	$134,732	$1,369,230

Fiscal Year 2020	Portable Products	Non-Portable and Other Products	Total
Audio Products	$1,009,933	$100,025	$1,109,958
High-Performance Mixed-Signal Products	136,985	34,181	171,166
Total	$1,146,918	$134,206	$1,281,124

Fiscal Year 2019	Portable Products	Non-Portable and Other Products	Total
Audio Products	$ 922,608	$118,258	$1,040,866
High-Performance Mixed-Signal Products	109,441	35,217	144,658
Total	$1,032,049	$153,475	$1,185,524

The geographic regions that are reviewed are China, the United States, and the rest of the world.

Total net sales based on the geographic disaggregation criteria described are as follows (in thousands):

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
China	$1,024,178	$ 975,090	$ 922,202
United States	21,708	17,099	26,182
Rest of World	323,344	288,935	237,140
Total	$1,369,230	$1,281,124	$1,185,524

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 28 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 Years Ended	
	March 27, 2021	March 28, 2020
Operating lease — in excess of 12 months	$14,050	$13,518
Variable lease	4,981	4,721
Short-term lease	151	119
Operating lease income	(1,416)	(1,296)
Total net operating lease expense	$17,766	$17,062

Other information related to operating leases was as follows:

	Fiscal Years Ended	
	March 27, 2021	March 28, 2020
Cash paid for amounts included in the measurement of lease liabilities (in thousands)		
Operating cash flows from operating leases	$14,954	$13,955
Right-of-use assets obtained in exchange for new operating lease liabilities (in thousands)	805	1,107
Weighted-average remaining lease term — operating leases (in years)	19	20
Weighted-average discount rate — operating leases	4%	4%

As of March 27, 2021, 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 27, 2021, are as follows (in thousands):

Fiscal Year	Operating Lease Expense	Operating Lease Income
2022	$ 14,852	$1,105
2023	14,492	278
2024	14,051	—
2025	13,514	—
2026	11,872	—
Thereafter	139,915	—
Total	$208,696	$1,383
Less imputed interest	(66,240)	—
Total	$142,456	$1,383

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

	March 27, 2021	March 28, 2020
Current lease liabilities	$ 14,573	$ 13,580
Non-current lease liabilities	127,883	129,312
Total operating lease liabilities	$142,456	$142,892

11. Restructuring Costs

In 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, which allowed the Company to concentrate our resources on projects with an anticipated larger return on investment. The Company recorded charges of $21.9 million as part of the MEMS Restructuring in fiscal year 2020. The MEMS Restructuring was substantially complete as of the first quarter of fiscal year 2021 with a $0.4 million "*Restructuring Costs*" charge to the income statement. No additional restructuring charges were incurred during 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 Years Ended	
	March 27, 2021	March 28, 2020
Disposal of equipment, net of recovery from sales (a)	$130	$ 9,578
Impairment and write-off of intangible assets	—	9,961
Other exit costs (b)	222	1,903
Personnel-related charges, net of equity cancellations (c)	—	483
Total	$352	$21,925

a. Fiscal year ended March 28, 2020 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. Fiscal year ended March 28, 2020 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 consist of severance costs of $1.7 million, net of $1.2 million of equity cancellation benefits and 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.

Restructuring liabilities are presented in the "*Other accrued liabilities*" line item of our Consolidated Balance Sheet. The activity related to restructuring liabilities is detailed below (in thousands):

	Restructuring Liability
Beginning balance as of March 28, 2020	$ 982
Other exit costs	222
Cash payments	(1,204)
Ending balance as of March 27, 2021	$ —

12. Postretirement Benefit Plans

Defined Benefit Pension Plan

The Company had a defined benefit pension scheme (the "Scheme"), for some individuals in the United Kingdom. On November 30, 2018, the Scheme buy-out was completed and individual policies were established for each member. Completion of the buy-out confirmed full and final settlement of the Scheme, and the

unamortized loss previously recorded within 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 $7.9 million, $7.5 million, and $7.7 million during fiscal years 2021, 2020, and 2019, 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 and subsequently amended on July 31, 2020. 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 one 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 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
Shares added	3,223
Granted	(1,491)
Forfeited	198
Balance, March 27, 2021	4,025

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		
	2021	2020	2019
Cost of sales	$ 900	$ 908	$ 877
Research and development	37,483	33,859	29,115
Sales, general and administrative	18,379	18,990	19,697
Effect on pre-tax income	56,762	53,757	49,689
Income Tax Benefit	(9,558)	(9,336)	(5,748)
Total stock-based compensation expense (net of taxes)	47,204	44,421	43,941
Stock-based compensation effects on basic earnings per share	$ 0.81	$ 0.76	$ 0.73
Stock-based compensation effects on diluted earnings per share	0.79	0.73	0.71

The total stock-based compensation expense included in the table above and which is attributable to restricted stock units and market stock units was $53.6 million, $50.0 million, $45.5 million, for fiscal years 2021, 2020, and 2019, respectively. Stock-based compensation expense is presented within operating activities in the Consolidated Statement of Cash Flows.

As of March 27, 2021, there was $105.8 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 1.28 years for stock options, 1.57 years for restricted stock units, and 1.33 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 $2.2 million, $4.9 million and $0.9 million in fiscal years 2021, 2020, and 2019 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 27, 2021	March 28, 2020	March 30, 2019
Expected stock price volatility	43.85% - 43.99%	37.17% - 41.61%	38.00% - 38.14%
Risk-free interest rate	0.35% - 0.72%	1.54% - 2.29%	2.57% - 2.94%
Expected term (in years)	4.32 - 4.43	3.81 - 4.55	3.12 - 3.73

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 2021, 2020, and 2019, were $33.81, $29.25, and $16.27, respectively.

During fiscal years 2021, 2020, and 2019, we received a net $7.1 million, $18.6 million, and $1.6 million, respectively, from the exercise of 0.2 million, 0.8 million, and 0.1 million, respectively, stock options granted under the Company's Stock Plan.

The total intrinsic value of stock options exercised during fiscal year 2021, 2020, and 2019, was $10.2 million, $34.0 million, and $2.6 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 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
Options granted	96	77.23
Options exercised	(236)	30.26
Options forfeited	(17)	56.27
Options expired	—	—
Balance, March 27, 2021	1,059	$49.87

Additional information with regards to outstanding options that are vesting, expected to vest, or exercisable as of March 27, 2021 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	1,048	$49.68	6.22	$34,926
Exercisable	737	$44.91	5.27	$28,062

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 $4.8 million, $4.7 million, and $4.1 million, became vested during fiscal years 2021, 2020, and 2019, respectively.

The following table summarizes information regarding outstanding and exercisable options as of March 27, 2021 (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
$15.31 - $38.15	177	4.51	$30.06	162	$29.36
$38.34 - $38.99	183	3.04	38.81	169	38.85
$41.49 - $54.65	308	6.72	47.51	234	49.39
$55.72 - $68.43	156	6.72	56.35	123	55.72
$68.56 - $68.56	148	8.61	68.56	49	68.56
$78.00 - $78.00	88	9.93	78.00	—	—
	1,060	6.25	$49.87	737	$44.91

As of March 27, 2021, March 28, 2020, and March 30, 2019, the number of options exercisable was 0.7 million, 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 2021, 2020, and 2019 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
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
Granted	945	71.44
Vested	(881)	52.97
Forfeited	(131)	55.36
March 27, 2021	2,613	$60.31

The aggregate intrinsic value of RSUs outstanding as of March 27, 2021, March 28, 2020, and March 30, 2019 was $216.9 million, $165.9 million, and $119.2 million, respectively. Additional information with regards to outstanding RSUs that are expected to vest as of March 27, 2021, 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	2,460	$59.95	1.54

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 $46.7 million, $45.9 million, and $39.6 million became vested during fiscal years 2021, 2020, and 2019, respectively. The majority of RSUs that vested in 2021, 2020 and 2019 were net settled such that the Company withheld a portion of the shares to satisfy tax withholding requirements. In fiscal years 2021, 2020, and 2019 the vesting of RSUs reduced the authorized and unissued share balance by approximately 0.9 million and 0.9 million, 1.2 million, respectively. Total shares withheld and subsequently retired out of the Plan were approximately 0.3 million, 0.3 million, and 0.3 million and total payments for the employees' tax obligations to taxing authorities were $18.4 million, $18.3 million, and $13.1 million for fiscal years 2021, 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 27, 2021	March 28, 2020	March 30, 2019
Expected stock price volatility	43.85%	37.17% - 41.61%	38.00% - 38.14%
Risk-free interest rate	0.29%	1.59% - 2.28%	2.62% - 3.01%
Expected term (in years)	3.00	3.00	3.00

Using the Monte Carlo simulation, the weighted average estimated fair value of the MSUs granted in fiscal year 2021 was $83.96. A summary of the activity for MSUs in fiscal year 2021, 2020, and 2019 is presented below (in thousands, except year and per share amounts):

	Shares	Weighted Average Fair Value
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
Granted	28	83.96
Vested	—	—
Forfeited	(48)	64.92
March 27, 2021	133	$73.29

The aggregate intrinsic value of MSUs outstanding as of March 27, 2021, March 28, 2020, and March 30, 2019 was $11.0 million, $9.5 million, and $7.0 million, respectively. Additional information with regard to outstanding MSUs that are expected to vest as of March 27, 2021 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	126	$72.71	1.29

No MSUs became vested in fiscal years 2021, 2020 or 2019.

14. Commitments and Contingencies

Facilities and Equipment Under Operating 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 27, 2021, our principal facilities are located in Austin, Texas and Edinburgh, Scotland, United Kingdom.

Total rent expense under operating leases was approximately $19.2 million, $18.4 million, and $12.7 million, for fiscal years 2021, 2020, and 2019, respectively. Rental income was $1.4 million, $1.3 million, and $0.2 million, for fiscal years 2021, 2020, and 2019, respectively.

See Note 10 — Leases for minimum future rental commitments and income under all operating leases as of March 27, 2021.

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 27, 2021, we had foundry commitments of $220.2 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 27, 2021.

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 27, 2021 was $8.1 million.

Other purchase commitments primarily relate to multi-year tool commitments, and were $70.1 million at March 27, 2021.

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 2019, 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 27, 2021, the Company had repurchased 2.7 million shares at a cost of $190.0 million, or an average cost of $70.50 per share. 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 27, 2021. Approximately $10.0 million remains available for repurchase under this plan. In January 2021, the Board of Directors authorized the repurchase of up to an additional $350 million of the Company's common stock. As of March 27, 2021, no shares have been repurchased under the new plan.

Preferred Stock

We have 5.0 million shares of Preferred Stock authorized. As of March 27, 2021, we have not issued any of the authorized shares.

17. Accumulated Other Comprehensive Income (Loss)

Our accumulated other comprehensive income (loss) is comprised of foreign currency translation adjustments, unrealized gains and losses on investments classified as available-for-sale, and cumulative effects of adopting new accounting standards.

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

	Foreign Currency	Unrealized Gains (Losses) on Securities	Cumulative Effect of Adoption of ASU 2018-02	Total
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)
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)
Current period foreign exchange translation	1,862	—	—	1,862
Current period marketable securities activity	—	5,673	—	5,673
Tax effect	—	(1,191)	—	(1,191)
Balance, March 27, 2021	$ 294	$ 2,838	$(257)	$ 2,875

18. Income Taxes

Income before income taxes consisted of (in thousands):

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
U.S.	$ 19,189	$ 44,154	$41,980
Non-U.S.	226,057	137,112	51,764
	$245,246	$181,266	$93,744

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

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
Current:			
U.S.	$ 981	$ 5,241	$ (7,109)
Non-U.S.	32,428	21,634	12,428
Total current tax provision	$33,409	$26,875	$ 5,319
Deferred:			
U.S.	(192)	(561)	5,441
Non-U.S.	(5,315)	(4,546)	(7,007)
Total deferred tax provision	(5,507)	(5,107)	(1,566)
Total tax provision	$27,902	$21,768	$ 3,753

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 27, 2021	March 28, 2020	March 30, 2019
U.S. federal statutory rate	21.0	21.0	21.0
Foreign income taxed at different rates	(8.4)	(5.5)	(2.9)
Transition tax on deferred foreign income	—	—	(11.8)
Remeasurement of U.S. deferred tax balance	—	—	(0.1)
Research and development tax credits	—	—	(6.7)
Stock-based compensation	(0.8)	(2.7)	(1.0)
Foreign-derived intangible income deduction	(0.3)	(0.8)	(2.8)
Current U.S. tax on foreign earnings	0.4	1.1	2.2
Change in valuation allowance	—	(0.1)	4.4
Release of prior year unrecognized tax benefits	(1.4)	(2.3)	—
Interest related to unrecognized tax benefits	0.3	0.5	1.6
Other	0.6	0.8	0.1
Effective tax rate	11.4	12.0	4.0

The Tax Act was enacted on December 22, 2017 and required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax-deferred. We elected to pay the transition tax over the eight-year period provided in the Tax Act. As of March 27, 2021, the remaining balance of our transition tax obligation is $27.0 million, which will be paid over the next five years.

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 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, which was denied by the Supreme Court on June 22, 2020. Although the issue is now resolved within the Ninth Circuit, the Ninth Circuit's opinion is not binding in other circuits. The potential impact of this issue on the Company, which is not located within the jurisdiction of the Ninth Circuit, is unclear at this time. We will continue to monitor developments related to this issue and the potential impact of those developments on the Company's current and prior fiscal years.

Significant components of our deferred tax assets and liabilities as of March 27, 2021 and March 28, 2020 are (in thousands):

	March 27, 2021	March 28, 2020
Deferred tax assets:		
Accrued expenses and allowances	$ 4,354	$ 2,750
Net operating loss carryforwards	1,781	2,093
Research and development tax credit carryforwards	12,753	13,066
Stock-based compensation	10,995	8,380
Lease liabilities	17,672	18,095
Other	—	1,260
Total deferred tax assets	$ 47,555	$ 45,644
Valuation allowance for deferred tax assets	(12,782)	(12,596)
Net deferred tax assets	$ 34,773	$ 33,048
Deferred tax liabilities:		
Depreciation and amortization	$ 4,059	$ 5,425
Right of use asset	16,987	17,391
Acquisition intangibles	3,100	4,645
Other	650	—
Total deferred tax liabilities	$ 24,796	$ 27,461
Total net deferred tax assets	$ 9,977	$ 5,587

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 increased by $0.2 million in fiscal year 2021 due to current year operations. The Company maintains a valuation allowance for certain deferred tax assets primarily relating to certain state net operating loss 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 27, 2021, the Company had gross federal net operating loss carryforwards of $4.4 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 2022 through 2031. In addition, at March 27, 2021 the Company had gross foreign net operating loss carryforwards of $0.3 million that do not expire and gross state net operating loss carryforwards of $12.2 million that expire in fiscal years 2022 through 2029. In addition, the Company had $12.9 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 2022 through 2034, and others do not expire.

At March 27, 2021, 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.

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

	March 27, 2021	March 28, 2020
Beginning balance	$36,208	$39,746
Additions based on tax positions related to the current year	—	615
Reductions based on tax positions related to the prior years	(3,329)	(4,153)
Ending balance	$32,879	$36,208

At March 27, 2021, the Company had gross unrecognized tax benefits of $32.9 million, all of which would impact the effective tax rate if recognized. During fiscal year 2021, the Company recorded a decrease of $3.3 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 2021 and 2020 we recognized interest expense, net of tax, of approximately $0.7 million and $0.9 million, respectively. The total amount of interest accrued as of March 27, 2021 was $4.1 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 2021 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: Audio and High-Performance Mixed-Signal. 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 by product line is disclosed in Note 9 — Revenues. Geographic details of revenue and property, plant and equipment are included below.

Geographic Area

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

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	March 30, 2019
China	$1,024,178	$ 975,090	$ 922,202
Hong Kong	170,605	205,314	166,460
South Korea	42,403	12,218	856
Japan	32,124	8,149	9,210
United States	21,708	17,099	26,182
Rest of World	78,212	63,254	60,614
Total consolidated sales	$1,369,230	$1,281,124	$1,185,524

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

	Fiscal Years Ended	
	March 27, 2021	March 28, 2020
United States	$116,649	$117,690
United Kingdom	29,895	36,049
Rest of World	8,398	4,505
Total consolidated property, plant and equipment, net	$154,942	$158,244

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 2021 and 2020 were as follows (in thousands, except per share data):

	Fiscal Year 2021			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$242,573	$347,325	$485,795	$293,537
Gross profit	127,472	180,210	251,500	148,119
Net income	18,209	59,486	114,368	25,281
Basic income per share	$ 0.31	$ 1.02	$ 1.97	$ 0.44
Diluted income per share	0.30	0.99	1.91	0.42

	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

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 27, 2021.

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 27, 2021, 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 27, 2021, 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 27, 2021, 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 30, 2021 (the "Proxy Statement") under the headings *Corporate Governance, Proposals to be Voted on — Proposal No. 1 — Election of Directors,* and *Delinquent Section 16(a) Reports*, if applicable, is incorporated herein by reference. The Company has adopted a Code of Conduct ("the Code") that applies to all of its directors, officers, and employees. A copy of the Code can be found within the Corporate Governance section of our "Investors" page on our website at *investor.cirrus.com*. We intend to satisfy the disclosure requirements of the SEC regarding amendments to, or waivers from, the Code by posting such information on the same website.

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, Consideration of Risk Related to Compensation Programs, Executive Compensation Tables, Pay Ratio Disclosure*, and *Proposals to be Voted on — Proposal No. 3 — Advisory Vote to Approve Executive Compensation* 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 27, 2021 and March 28, 2020.
- Consolidated Statements of Income for the fiscal years ended March 27, 2021, March 28, 2020, and March 30, 2019.
- Consolidated Statements of Comprehensive Income for the fiscal years ended March 27, 2021, March 28, 2020, and March 30, 2019.
- Consolidated Statements of Cash Flows for the fiscal years ended March 27, 2021, March 28, 2020, and March 30, 2019.
- Consolidated Statements of Stockholders' Equity for the fiscal years ended March 27, 2021, March 28, 2020, and March 30, 2019.
- 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)
4.1	Description of Securities. (13)
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+	First Amendment to the Cirrus Logic, Inc. 2018 Long Term Incentive Plan (15)
10.16+	Form of Restricted Stock Unit Agreement. (12)
10.17+	Form of Notice of Grant of Restricted Stock Units. (12)
10.18+	Form of Performance Award Agreement. (12)
10.19+	Form of Notice of Grant of Performance Award. (12)
10.20+	Form of Stock Option Agreement. (12)
10.21+	Form of Notice of Grant of Stock Option. (12)
10.22+	Form of Notice of Grant of Stock Award. (12)
10.23+	Transition Agreement, dated October 30, 2020. (14)
10.24	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)
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
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Number	Description
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 March 26, 2021 (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 filed with the SEC on July 15, 2016 (Registration No. 000-17795).
(11) Incorporated by reference from Registrant's Report on Form 10-K filed 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).
(13) Incorporated by reference from Registrant's Report on Form 10-Q filed with the SEC on August 3, 2020 (Registration No. 000-17795).
(14) Incorporated by reference from Registrant's Report on Form 8-K filed with the SEC on November 2, 2020 (Registration No. 000-17795).
(15) Incorporated by reference to Exhibit 1 to the Registrant's Definitive Proxy Statement filed with the SEC on June 3, 2020 (Registration No. 000-17795).

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 21, 2021

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/ JOHN M. FORSYTH John M. Forsyth	President and Chief Executive Officer	May 21, 2021
/s/ THURMAN K. CASE Thurman K. Case	Vice President, Chief Financial Officer and Principal Accounting Officer	May 21, 2021
/s/ JOHN C. CARTER John C. Carter	Director	May 21, 2021
/s/ ALEXANDER M. DAVERN Alexander M. Davern	Director	May 21, 2021
/s/ TIMOTHY R. DEHNE Timothy R. Dehne	Director	May 21, 2021
/s/ DEIRDRE R. HANFORD Deirdre R. Hanford	Director	May 21, 2021
/s/ CATHERINE P. LEGO Catherine P. Lego	Director	May 21, 2021
/s/ ALAN R. SCHUELE Alan R. Schuele	Director	May 21, 2021
/s/ DAVID J. TUPMAN David J. Tupman	Director	May 21, 2021

JOHN FORSYTH
President and Chief Executive Officer

June 3, 2021

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 30, 2021, at 11:00 a.m. Central Time. This year's Annual Meeting will once again be a virtual-only stockholder meeting, which, due to the public health impact of COVID-19, allows us to support the well-being of our employees and stockholders while also allowing 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/CRUS2021. 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,

John Forsyth
President and Chief Executive Officer

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Important Notice Regarding the Availability of Proxy Materials for the 2021 Annual Meeting of Stockholders to be held July 30, 2021

Copies of the Notice of the 2021 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@cirrus.com

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

2021 Annual Meeting of Stockholders

July 30, 2021
YOUR VOTE IS IMPORTANT

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Cirrus Logic, Inc. (the "Company" or "we") will hold our 2021 Annual Meeting of Stockholders as follows:

Friday, July 30, 2021
11:00 A.M. (Central Daylight Time)
Via live webcast available at www.virtualshareholdermeeting.com/CRUS2021

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/CRUS2021. 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.

While connected to the Annual Meeting via the internet, you may vote and submit questions. We will answer any timely submitted and relevant questions on a matter to be voted on at the Annual Meeting before voting is closed on the matter. Following adjournment of the formal business of the Annual Meeting, we will address appropriate general questions from stockholders regarding the Company as time allows. Questions relating to stockholder proposals or the Company may be submitted in the field provided in the web portal at or before the time the questions are to be discussed. If we receive substantially similar questions, we may group those questions together and provide a single response to avoid repetition. Answers to any relevant questions not answered at the Annual Meeting will be posted on the "Ask the CEO" section of our website at *investor.cirrus.com* following the Annual Meeting.

We are utilizing a leading virtual meeting solution from Broadridge Financial Solutions, Inc., or Broadridge. Both we and Broadridge will test the platform technology before going "live" for the Annual Meeting. If you have any questions about accessing the virtual meeting website for the Annual Meeting, please contact Broadridge VSM support at 844-986-0822 / International: 303-562-9302. If you encounter any technical difficulties with the virtual meeting during the log in or meeting time, please call the technical support number that will be posted on the virtual meeting login page.

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

(i) the election of seven 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 26, 2022;

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

(iv) 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, 2021, are entitled to notice of, and to vote at, the Annual Meeting. On June 1, 2021, approximately 57,525,391 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 seven nominated directors and for Proposal Nos. 2 and 3. 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

2021 ANNUAL MEETING OF STOCKHOLDERS
To Be Held Friday, July 30, 2021

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 2021 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the "Annual Meeting"). The Annual Meeting will be held on July 30, 2021, at 11:00 a.m., Central Daylight Time, and may be accessed on a live webcast via the internet at www.virtualshareholdermeeting.com/CRUS2021.

Beginning on June 18, 2021, 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 30, 2021. As a stockholder of record as of the close of business on June 1, 2021 (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 2021 Annual Report to Stockholders on Form 10-K for the fiscal year ended March 27, 2021, 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 three proposals scheduled to be voted on at the meeting:

(1) the election of seven 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 26, 2022; and

(3) an advisory (non-binding) vote to approve executive compensation.

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/CRUS2021. The webcast will begin at 11:00 a.m., Central Daylight Time, on July 30, 2021. Stockholders as of the Record Date may vote and submit questions while connected to the Annual Meeting via the internet. We will answer any timely submitted and relevant questions on a matter to be voted on at the Annual Meeting before voting is closed on the matter. Following adjournment of the formal business of the Annual Meeting, we will address appropriate general questions from stockholders regarding the Company as time allows. Questions relating to stockholder proposals or the Company may be submitted in the field provided in the web portal at or before the time the questions are to be discussed. If we receive substantially similar questions, we may group those questions together and provide a single response to avoid repetition. Answers to any relevant questions not answered at the Annual Meeting will be posted on the "Ask the CEO" section of our website at *investor.cirrus.com* following the Annual Meeting.

We are utilizing a leading virtual meeting solution from Broadridge Financial Solutions, Inc., or Broadridge. Both we and Broadridge will test the platform technology before going "live" for the Annual Meeting. If you have any questions about accessing the virtual meeting website for the Annual Meeting, please contact Broadridge VSM support at 844-986-0822 / International: 303-562-9302. If you encounter any technical difficulties with the virtual meeting during the log in or meeting time, please call the technical support number that will be posted on the virtual meeting login page.

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/CRUS2021.

- Webcast begins at 11:00 a.m. Central Daylight Time on July 30, 2021.
- 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/CRUS2021.
- A webcast replay of the meeting will be available after the meeting at www.virtualshareholdermeeting.com/CRUS2021.

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 26, 2022; and
- "FOR" the approval, on a non-binding, advisory basis, of executive compensation.

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/CRUS2021. 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/CRUS2021. 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) and the advisory vote to approve executive compensation (Proposal No. 3) 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 seven 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 Proposal Nos. 2 and 3, 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 57,525,391 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 2022 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 18, 2022). 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 2022 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 1, 2022) and no later than 90 calendar days (May 1, 2022) 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 27, 2021, the Board held 12 meetings. Directors are expected to attend each meeting of the Board and the committees of the Board (the "Committees") on which they serve. During the period of their service, no director attended less than 75% of the aggregate of (i) the total number of Board meetings and (ii) the total number of their 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 attended the Company's 2020 annual meeting of stockholders.

We have three Committees: Audit, Compensation and Human Resources, and Governance and Nominating. Each member of the Audit, Compensation and Human Resources, 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 and Human Resources 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*.

During fiscal year 2021, effective January 1, 2021, Jason Rhode resigned from our Board, and John Forsyth was appointed to the Board to fill Dr. Rhode's vacancy. These changes corresponded with transitioning the role of Chief Executive Officer from Dr. Rhode to Mr. Forsyth, effective January 1, 2021, which is discussed elsewhere in this proxy statement. Also effective January 1, 2021, director David Tupman became Chair of the Board, succeeding Alan Schuele ahead of his retirement from the Board at this year's Annual Meeting.

The composition of the Board and each Committee is identified in the following table, and the function of each Committee is described below. 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 and Human Resources	Governance and Nominating
John C. Carter	**Yes**	**X**	**X**	
Alexander M. Davern	**Yes**	**Chair**		
Timothy R. Dehne	**Yes**		**Chair**	
John M. Forsyth	**No**			
Deirdre R. Hanford	**Yes**	**X**		**X**
Catherine P. Lego	**Yes**			**Chair**
Alan R. Schuele	**Yes**			
David J. Tupman, Chair	**Yes**		**X**	**X**
Former Directors (served during fiscal year)				
Jason P. Rhode	**No**			
Number of Meetings Held in Fiscal Year 2021		**7**	**7**	**2**

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 with management and the independent auditors any required Environmental, Social, and Governance ("ESG") disclosures included within the Company's SEC filings, including human capital disclosures required by Item 101(c) of Regulation S-K, and the adequacy and effectiveness of applicable internal controls related to such disclosures;
- reviewing with the independent auditors critical audit matters (CAMs) and related CAM disclosures;
- 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 and Human Resources Committee

The Compensation and Human Resources Committee ("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. Additionally, the Compensation Committee assists the Board in its ESG oversight by reviewing ESG matters relating to the Company's workforce, including human capital management, inclusion and diversity, and the workforce portion of the Company's ESG report. For additional information relating to the Compensation Committee, see the Compensation and Human Resources 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 assists the Board in its ESG oversight by reviewing ESG matters, including the Company's ESG report, not assigned to other committees. 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. The Governance and Nominating Committee believes it is important to consider diversity of gender, race, ethnicity, age, education, cultural background, and professional experiences and has formalized its existing practice to require inclusion of women and underrepresented minority candidates 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.

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 six of the seven 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, and Tupman qualify as independent directors under these standards. No director has a familial relationship with another director. Although at the present Annual Meeting Mr. Schuele is not a director nominee, the Board also determined that Mr. Schuele was independent.

In determining the independence of Mr. Davern—who serves 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. These transactions did not constitute material related party transactions requiring disclosure under SEC regulations.

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. These transactions did not constitute material related party transactions requiring disclosure under SEC regulations.

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 President and Chief Executive Officer ("CEO"), John Forsyth, and Chair of the Board, David J. Tupman. 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, comprised fully of independent members, discusses risk assessment and risk management policies and regularly reviews with management the Company's major financial and regulatory risk exposures, including information security and 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.

Environmental, Social, and Governance (ESG)

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 their charters, each of the Committees assists the Board in its oversight of ESG matters that are within the Committee's area of responsibility, and the Governance and Nominating Committee assists in such oversight by reviewing ESG matters, such as the Company's ESG report, that are not assigned to other Committees.

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 ESG 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 ESG efforts, including the Company's ESG Report, please refer to the Environment, Social, and Governance section of our website at https://www.cirrus.com/company/esg/.

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 27, 2021:

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 them. 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 2021, 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, their grant upon re-election is prorated to reflect the actual duration of service as a director since their 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.

In a meeting on May 14, 2021, the Board approved modifications to director compensation arrangements, which become effective at the Annual Meeting. Specifically, the Board increased the quarterly retainer for the Governance and Nominating Committee Chair from $2,500 to $3,000. Additionally, the Board modified certain aspects of non-employee director equity compensation, resulting in the following equity-based compensation components:

- New non-employee directors shall receive, at the time of first joining the Board through appointment or election, options having a fair market value of $225,000, as estimated at or around the time of grant, with 25% vesting after one year and the remainder vesting ratably each month over the following 36 months;
- New non-employee directors who first join the Board by appointment prior to an annual meeting shall receive, upon appointment, a full-value stock award having a fair market value up to $190,000 prorated to reflect the period from the time of appointment up until the annual meeting, such award vesting at the annual meeting; and

- Each non-employee director, upon first election and each subsequent re-election at an annual meeting, shall receive a full-value value stock award having a fair market value up to $190,000, such award vesting at the earlier of the next annual meeting or one year from 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 2021.

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 2021

Name (a)	Fees Earned or Paid in Cash[1] ($) (b)	Stock Awards[2] ($) (c)	Option Awards[3] ($) (d)	Total ($) (h)
John C. Carter[4]	$ 77,500	$189,965	$ —	$267,465
Alexander M. Davern[5]	$ 95,000	$189,965	$ —	$284,965
Timothy R. Dehne[6]	$102,500	$189,965	$ —	$292,465
Deirdre R. Hanford[7]	$ 65,000	$189,965	$ —	$254,965
Catherine P. Lego[8]	$ 59,451	$ 51,672	$224,984	$336,107
Alan R. Schuele[9]	$119,038	$189,965	$ —	$309,003
David J. Tupman[10]	$100,220	$189,965	$ —	$290,185

(1) Represents fees earned or paid in cash for services as a director during the fiscal year ended March 27, 2021, including quarterly retainer fees and Committee chair and membership retainer fees.

(2) On July 31, 2020, upon their re-election as directors at the Company's 2020 annual meeting of stockholders, directors Carter, Davern, Dehne, Hanford, 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 Lego received a prorated stock award to reflect her appointment as a director on April 23, 2020; this award vested immediately upon her election to the Board at the 2020 annual meeting of stockholders. Amounts reported in this column represent the aggregate grant date fair value of the stock awards granted in fiscal year 2021, 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 27, 2021 for additional detail regarding the assumptions underlying the value of these awards.

(3) On April 23, 2020, upon her appointment as a director, Ms. Lego received an option to purchase shares of common stock with an exercise price equal to the closing price of common stock reported on Nasdaq on the date of grant. The amount in this column represents the aggregate grant date fair value of the options 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 27, 2021 for additional detail regarding the assumptions underlying the value of these awards.

(4) At the end of fiscal year 2021, Mr. Carter had no options outstanding.

(5) At the end of fiscal year 2021, Mr. Davern had no options outstanding.
(6) At the end of fiscal year 2021, Mr. Dehne had no options outstanding.
(7) At the end of fiscal year 2021, Ms. Hanford had 15,515 options outstanding.
(8) At the end of fiscal year 2021, Ms. Lego had 7,657 options outstanding.
(9) At the end of fiscal year 2021, Mr. Schuele had 10,000 options outstanding.
(10) At the end of fiscal year 2021, Mr. Tupman had 15,346 options outstanding.

PROPOSALS TO BE VOTED ON

Proposal No. 1:

Election of Directors

The Board approved seven nominees for election to the Board this year.

During fiscal year 2021, effective January 1, 2021, Jason Rhode resigned from the Board, and John Forsyth was appointed to fill such vacancy, concurrent with the role of CEO transitioning from Dr. Rhode to Mr. Forsyth. Additionally, Alan Schuele is retiring from the Board at the Annual Meeting.

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.

Background	**Carter**	**Davern**	**Dehne**	**Forsyth**	**Hanford**	**Lego**	**Tupman**
Years on Board	12	6	12	0.5	3	1	6
Age	66	54	55	47	58	64	58
Gender identification	Male	Male	Male	Male	Female	Female	Male

Vote Required
In the election of directors, the seven 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 their 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 the Director's contributions to the Board and the Company. The Board will promptly disclose publicly its decision to accept or reject such resignation and, if rejected, the reasons for doing so.

Information about Nominees

JOHN C. CARTER
Director since 2009
Mr. Carter, age 66, 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 audio devices 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 54, is currently a member of the Board of Directors of National Instruments Corporation ("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. Mr. Davern worked at NI between February 1994 and May 2020, and during his career at NI he served in numerous leadership positions, including as Chief Financial Officer, Chief Operating Officer, and 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. Since 2020, he also has a teaching position at the University of Texas McCombs School of Business. 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 55, 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 high technology companies in Austin, Texas, and his unique insight into significantly growing revenues at high technology companies 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.

JOHN M. FORSYTH
Director since 2021
Mr. Forsyth, age 47, was appointed President of the Company in January 2020 and assumed the additional role of Chief Executive Officer in January 2021. 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.

The Governance and Nominating Committee believes that Mr. Forsyth's current role as President and CEO of the Company makes 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 Mr. Forsyth 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.

DEIRDRE R. HANFORD
Director since 2018
Ms. Hanford, age 58, 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 information security 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. The Governance and Nominating Committee also believes that Ms. Hanford's substantial information security experience and expertise make her well qualified to be on the Board and to serve a role in the oversight of cybersecurity as a member of the Audit Committee.

CATHERINE P. LEGO
Director since April, 2020
Ms. Lego, age 64, 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 and serves as its Audit Committee chair and is a member of the Nominating and Governance Committee and Lam Research Corporation, a wafer fabrication equipment company, since 2006, where she was Chair of its Compensation Committee from 2015 to 2021 and where she has been a member of the Nominating and Governance Committee since 2014, and in 2021 rejoined the Audit Committee which she had chaired from 2009 to 2014. Ms. Lego also served as a member of the Board of Directors of IPG Photonics Corporation, a high-power fiber laser and amplifier company for diverse applications, since July 2016 until her retirement from this board in May 2021, where she was 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 (except for 2002-2004), 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.

DAVID J. TUPMAN
Director since 2015
Dr. Tupman, age 58, is currently the owner 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 26, 2022. During the fiscal year that ended March 27, 2021, 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 they desire, 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 26, 2022, 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 2021.

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.

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 11, 2021, by:

- The stockholders we know to beneficially own more than 5% of outstanding common stock;
- Each director and nominee 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:		
FMR LLC[2]	8,694,735	15.1146%
Blackrock, Inc.[3]	6,368,902	11.0715%
The Vanguard Group[4]	5,820,380	10.1179%
Directors and Named Executive Officers:		
Jason P. Rhode, Former Chief Executive Officer[5]	603,787	1.0424%
Jeffrey W. Baumgartner, Vice President, Research and Development[6]	80,706	*
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary[7]	73,889	*
Jo-Dee M. Benson, Vice President, Chief Culture Officer[8]	67,253	*
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer[9]	62,761	*
Alan R. Schuele, Director[10]	32,965	*
David J. Tupman, Director[11]	32,308	*
John M. Forsyth, President and Chief Executive Officer and Director[12]	22,333	*
Alexander M. Davern, Director[13]	19,075	*
Timothy R. Dehne, Director[14]	16,014	*
Deirdre R. Hanford, Director[15]	14,663	*
John C. Carter, Director[16]	14,406	*
Catherine P. Lego, Director[17]	5,987	*
All current directors and executive officers as a group (17 persons)[18]	1,188,093	2.0380%

* Less than 1% of the outstanding common stock

(1) Percentage ownership is based on 57,525,391 shares of common stock issued and outstanding on May 11, 2021. Shares of common stock issuable under stock options that are currently exercisable or will become exercisable within 60 days after May 11, 2021, 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 11, 2021, 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 11, 2021.

(2) Based on a Schedule 13G filed with the SEC on February 8, 2021, FMR LLC, 245 Summer Street, Boston, Massachusetts 02210, is the beneficial owner of 8,694,735 shares, with sole voting power as to 2,227,196 shares, and sole dispositive power as to 8,694,735 shares.

(3) Based on a Schedule 13G filed with the SEC on January 27, 2021, Blackrock, Inc., 55 East 52nd Street, New York, NY 10055, is the beneficial owner of 6,368,902 shares, with sole voting power as to 5,858,587 shares, and sole dispositive power as to 6,368,902 shares.

(4) Based on a Schedule 13G filed with the SEC on February 10, 2021, The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355, is the beneficial owner of 5,820,380 shares, with sole voting power as to 0 shares, sole dispositive power as to 5,735,031 shares, shared dispositive power as to 85,349 shares, and shared voting power as to 38,137 shares.

(5) Includes 397,646 shares issuable upon exercise of options held by Dr. Rhode and 206,141 shares held directly.

(6) Includes 52,916 shares issuable upon exercise of options held by Mr. Baumgartner and 27,790 shares held directly.

(7) Includes 60,603 shares issuable upon exercise of options held by Mr. Thomas and 13,286 shares held directly.

(8) Includes 55,957 shares issuable upon exercise of options held by Ms. Benson and 11,296 shares held directly.

(9) Includes 54,240 shares issuable upon exercise of options held by Mr. Case and 8,521 shares held directly.

(10) Includes 10,000 shares issuable upon exercise of options held by Mr. Schuele and 22,965 shares held directly.

(11) Includes 15,346 shares issuable upon exercise of options held by Mr. Tupman and 16,962 shares held directly.

(12) Includes 20,281 shares issuable upon exercise of options held by Mr. Forsyth and 2,052 shares held directly.

(13) Includes 0 shares issuable upon exercise of options held by Mr. Davern and 19,075 shares held directly.

(14) Includes 0 shares issuable upon exercise of options held by Mr. Dehne and 16,014 shares held directly.

(15) Includes 9,696 shares issuable upon exercise of options held by Ms. Hanford and 4,967 shares held directly.

(16) Includes 0 shares issuable upon exercise of options held by Mr. Carter and 14,406 shares held directly.

(17) Includes 2,233 shares issuable upon exercise of options held by Ms. Lego and 3,754 shares held directly.

(18) Includes options held by all executive officers and directors to purchase an aggregate of 782,270 shares of common stock that are exercisable within 60 days of May 11, 2021.

EXECUTIVE OFFICERS

Carl J. Alberty – Vice President, Mixed-Signal Products
Mr. Alberty, age 44, 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 67, 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 47, 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 61, 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 54, 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 64, 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 and Chief Executive Officer, and Director Nominee
Mr. Forsyth, age 47, was appointed President of the Company in January 2020 and assumed the additional role of Chief Executive Officer on January 1, 2021. Previously, from June 2018 to January 2020, 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 and Information Technology
Mr. Hughes, age 60, 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.

Gregory Scott Thomas – Senior Vice President, General Counsel and Corporate Secretary
Mr. Thomas, age 55, 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

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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 2021 and to discuss why and how the fiscal year 2021 compensation decisions for these executives were reached. As used in this Compensation Discussion and Analysis, all references to the 2021 fiscal year are applicable to the time period that began on March 29, 2020, and ended on March 27, 2021. 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 2021.

The Named Executive Officers for fiscal year 2021 were as follows:

- John M. Forsyth, President and Chief Executive Officer;
- Jason P. Rhode, Former Chief Executive Officer;
- Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer;
- Jeffrey W. Baumgartner, Vice President, Research and Development;
- Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary; and
- Jo-Dee M. Benson, Vice President and Chief Culture Officer.

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 2021 and significant actions taken by our Compensation Committee in fiscal year 2021. Additional details are described in the discussion and analysis that follows.

CEO Change During Fiscal Year 2021

On November 2, 2020, we announced that Mr. Forsyth, who was serving as our President, was appointed as our CEO, effective January 1, 2021, and that he would continue to serve as our President. We also announced that Dr. Rhode, who was serving as our CEO, would remain as our CEO until January 1, 2021, and then transition into an Executive Fellow role, whereby he would provide certain transition and advisory services to the Company through January 1, 2022. Effective January 1, 2021, Dr. Rhode also resigned from the Company's Board, and Mr. Forsyth was appointed to the Board to fill such vacancy. Effective as of January 1, 2021, Dr. Rhode was no longer deemed to be an executive officer of the Company and is therefore no longer listed as a current officer in the section above titled "Executive Officers."

Business Highlights

- **Revenue**. We reported revenue of $1.37 billion, which was up 7% from the prior year. The growth in revenue was primarily driven by content gains in smartphones, tablets, and wearables and higher unit volumes in smartphones and tablets.
- **Cash Generation**. Cash from operations was $348.9 million for the full fiscal year, and our cash and cash equivalents as of the end of the fiscal year was $810.6 million. We used $110 million to repurchase approximately 1.5 million shares at an average price of $75.72.
- **Company Strategy**. In the past fiscal year, we expanded our position in audio in Android smartphones, gained traction in applications beyond smartphones and further diversified our product portfolio with the introduction of our first camera controller. Going forward, we remain focused on three growth vectors that are expected to fuel opportunities in the coming years. First, we anticipate strengthening our position as the leading audio supplier in

smartphones. Second, we are focused on increasing sales of audio components in applications beyond smartphones. Third, we are drawing on our extensive mixed-signal engineering expertise to develop solutions in new, adjacent product areas that we believe will drive diversification beyond the audio domain.

- **Beyond Audio**. In the past fiscal year, we successfully introduced our first camera controller targeting a new technology area beyond our traditional audio domain. This high-precision, low-latency component enables faster processing to focus and stabilize image capture, significantly improving results. Interest in our haptic and sensing solutions continues to be strong across smartphones, laptops, wearables, and AR/VR controllers, driven by a desire to maximize display size, deliver high-definition tactile feedback, and differentiate with advanced haptics to enable immersive and unique gaming experiences. Additionally, we have continued to make progress on our power conversion and control integrated circuit and are on track to begin ramping this product in the second half of the calendar year.

Compensation Highlights

- **Promotion of Mr. Forsyth**. Based on a CEO-compensation analysis performed in October 2020, the Compensation Committee adjusted Mr. Forsyth's base salary and semiannual target bonus percentage in connection with his appointment as our CEO, effective January 1, 2021. The Compensation Committee took into account, among other factors, that Mr. Forsyth was internally promoted to CEO as part of the Company's transition plan announced in November 2020.
- **CEO Transition**. Pursuant to a Transition Agreement dated October 30, 2020, the compensation of Dr. Rhode was adjusted in connection with the transition from his service as CEO on January 1, 2021 into an Executive Fellow role through January 1, 2022.
- **Annual Compensation Review Timing**. In fiscal year 2021, the Compensation Committee shifted its annual review of executive officer compensation to take place during the fourth quarter instead of the second quarter. Consequently, this year's annual executive review and associated equity grants took place 16-months after the prior annual review and grants, representing a four-month deferral when compared to previous cycles. Where applicable, the Compensation Committee took into account this longer cycle when making its compensation decisions.
- **Base Salaries**. Based on a compensation analysis performed in the fourth quarter of fiscal year 2021, the Compensation Committee raised base salaries of our Named Executive Officers, other than Dr. Rhode and Mr. Forsyth, by 6%–10% depending on factors discussed herein, such as market comparisons and individual performance.
- **Equity Grants**. Based on the fourth-quarter 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 other than Dr. Rhode. The approved grants maintained general alignment with the 50th percentile of applicable market data for target total direct compensation, took into account internal pay equity, and with respect to our CEO, reflected his recent promotion into the CEO role.
- **PBRSU Performance**. In view of the Company's three-year stock price performance, the PBRSUs granted within fiscal year 2018 had a payout percentage of zero, and therefore no corresponding performance-based shares vested within fiscal year 2021.
- **Cash Bonuses**. In the first semiannual performance period, 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 slightly below target, yielding cash bonuses below target levels, while in the second semiannual performance period a stronger Operating Profit Margin and revenue growth drove cash bonuses significantly higher than target levels.

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 near 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 revenue growth, operating income and net income for the four quarters preceding our compensation data-gathering efforts placed us above the 50th percentile of this Proxy Group.

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 2020 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 practices, 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 2020 annual meeting of stockholders, 95% 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 2021. 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 2021, 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 2021 Compensia performed two comprehensive compensation reviews: first, as a special assignment in October 2020, it reviewed CEO compensation as the CEO position was transitioned from Dr. Rhode to Mr. Forsyth, and, second, in January 2021, it provided its annual review of our CEO's and other executive officers' compensation. Dr. Rhode's compensation was not assessed during this annual review because, effective January 1, 2021, his compensation as Executive Fellow was set pursuant to the Transition Agreement noted previously and approved by the Board.

Additionally, in December 2020, 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 2021. 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 2021 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 2021 did not give rise to any conflicts of interest.

C. The Information We Use for Comparisons

In October 2020, as part of its special assignment to aid the Compensation Committee's compensation review concerning the transition of the CEO position from Dr. Rhode to Mr. Forsyth, Compensia prepared an assessment of CEO compensation based on (a) publicly available data gathered from the Company's then-current proxy group (such group being approved in March 2019 and reported in last year's proxy statement) and (b) additional publicly available data from similarly sized technology companies having an internally promoted CEO.

In December 2020, based on the criteria described below, and with the direction of the Compensation Committee on companies to consider for inclusion in the "Proxy Group" (as defined below), Compensia reviewed the then-existing proxy group and made recommendations regarding potential additions and removals.

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 $800 million – $16.3 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 proxy 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 proxy group in future years to ensure the Company remains competitive in its continuing recruitment and retention efforts.

Specifically, Compensia recommended that the following two companies be added to the Proxy Group: Lattice Semiconductor Corporation and MaxLinear, Inc. Compensia recommended that the following two companies be removed from the Proxy Group: Cypress Semiconductor Corporation (due to acquisition) and SMART Global Holdings, Inc. (due to falling below the market capitalization range).

After review, the Compensation Committee approved such recommendations, and the following group of 20 companies was approved as the "Proxy Group": (1) CMC Materials, Inc. (formerly named Cabot Microelectronics Corporation); (2) Cree, Inc.; (3) Diodes Incorporated; (4) Entegris, Inc.; (5) First Solar, Inc.; (6) FormFactor, Inc.; (7) Knowles Corporation; (8) Lattice Semiconductor Corporation; (9) MACOM Technology Solutions Holdings, Inc.; (10) Marvell Technology Group Ltd.; (11) Maxim Integrated Products, Inc.; (12) MaxLinear, Inc.; (13) Monolithic Power Systems, Inc.; (14) Power Integrations, Inc.; (15) Qorvo, Inc.; (16) Semtech Corp.; (17) Silicon Laboratories, Inc.; (18) SunPower Corporation; (19) Synaptics Incorporated; and (20) Xilinx, Inc.

In January 2021, 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 the Proxy Group, enumerated above and (b) market data obtained from the Radford Global Technology Survey specific to 18 of the 20 companies in such Proxy Group (the "Survey Data") who participated in such survey.

In conjunction with this January 2021 assessment, Compensia developed comparison compensation data for each Cirrus Logic executive officer ("Compensation Market Data"). For Mr. Forsyth and Mr. Case, the Compensation Market Data consisted solely of data derived from the Proxy Group because data associated with the CEO and CFO positions is publicly available from each Proxy Group company. For Mr. Baumgartner and Ms. Benson, the Compensation Market Data consisted solely of Survey Data because data matching their position was not available from the Proxy Group. For Mr. Thomas, a blend of Survey Data and Proxy Group data was used, reflecting that while some matching data was available from the Proxy Group, the consideration of additional data from the Survey Data provided a more reliable dataset.

Compensation Market Data was not obtained for Dr. Rhode in connection with his position as Executive Fellow and, accordingly, market comparisons for Dr. Rhode are not presented in subsequent sections of this proxy statement. The compensation associated with Dr. Rhode's Executive Fellow position was set according to the Transition Agreement approved by the Board and was based on pay comparisons for similar positions at the Company.

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, 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, "*Employment Arrangements and 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 2021

In October 2020, the Compensation Committee reviewed the base salary and cash bonus compensation of Mr. Forsyth in connection with his promotion to the position of CEO, effective January 1, 2021. The Compensation Committee deferred its assessment of any equity-based compensation for the CEO until its annual compensation review in January 2021.

In January 2021, the Compensation Committee performed its annual review of executive officers' compensation at a regularly scheduled Compensation Committee meeting. At that time, with respect to the CEO, the Compensation Committee considered only equity-based compensation because it had recently adjusted Mr. Forsyth's base salary and cash bonus compensation in connection with his promotion to the CEO position. As part of its annual review, the Compensation Committee reviewed the Company's performance as compared to the Proxy Group and, other than for Mr. Forsyth, considered any changes to an executive officer's base salary or target amounts for their annual cash incentive awards. The Compensation Committee further considered any annual equity awards for our executive officers, and at a regularly scheduled meeting on February 26, 2021, the Compensation Committee approved executive equity awards, which were granted in March 2021.

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.

As noted in last year's proxy statement, for fiscal year 2021, the timing of the annual executive compensation review and associated equity grants was shifted to the fourth quarter to better align with our fiscal-year calendar. See the section of this proxy statement entitled, "*Administrative and Timing*

Aspects of Our Equity Awards." However, as noted in the Executive Summary of this section, this shift in timing resulted in a 4-month longer period between the annual executive review and associated equity grants from fiscal year 2020 to fiscal year 2021. Where applicable, the Compensation Committee took into account this longer cycle when making its compensation decisions.

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 October 2020, in connection with Mr. Forsyth's promotion to the position of CEO, effective January 1, 2021, the Compensation Committee set Mr. Forsyth's annual base salary as CEO at $600,000. His previous annual base salary, as President, was $400,000.

Also in October 2020, in connection with Dr. Rhode's transition from CEO to Executive Fellow, effective January 1, 2021, the Board approved a corresponding Transition Agreement that set Dr. Rhode's annual base salary as Executive Fellow at $300,000. His previous annual base salary, as CEO, was $800,000.

In January 2021, the Compensation Committee took the following actions with respect to the base salaries of the Company's other Named Executive Officers, which became effective in the second-half of fiscal year 2021, on February 1, 2021:

- Adjusted our CFO's annual base salary 7% from $410,865 to $440,000;
- Adjusted Mr. Baumgartner's annual base salary 10% from $341,250 to $375,000;
- Adjusted Mr. Thomas's annual base salary 7% from $382,200 to $410,000; and
- Adjusted Ms. Benson's annual base salary 6% from $371,280 to $395,000.

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. Additionally, with respect to setting Mr. Forsyth's initial base salary as CEO, the Compensation Committee considered publicly available market data from similarly sized technology companies having internally promoted CEOs.

With respect to the applicable Compensation Market Data, the base salary of:

- Mr. Forsyth falls below the 25th percentile; and
- Mr. Case, Mr. Baumgartner, Mr. Thomas, and Ms. Benson fall between the 50th and 75th percentile.

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 base salaries of the Named Executive Officers to fall between the 50th and 75th percentile level, except for Dr. Rhode (for whom Compensation Market Data was not obtained) and Mr. Forsyth. The base salary determination for Mr. Forsyth was influenced not only by the factors and considerations noted above, but also by his new appointment to the position of CEO as part of the Company's CEO transition plan announced in November 2020.

Since the Company's annual base-salary determinations were made during the fourth quarter of the fiscal year, the salary column of the Summary Compensation Table, which totals base salary for the entire fiscal year, will reflect a blend of salary amounts before and after the yearly adjustments.

B. Cash Bonuses

In fiscal year 2021, 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 2021, 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

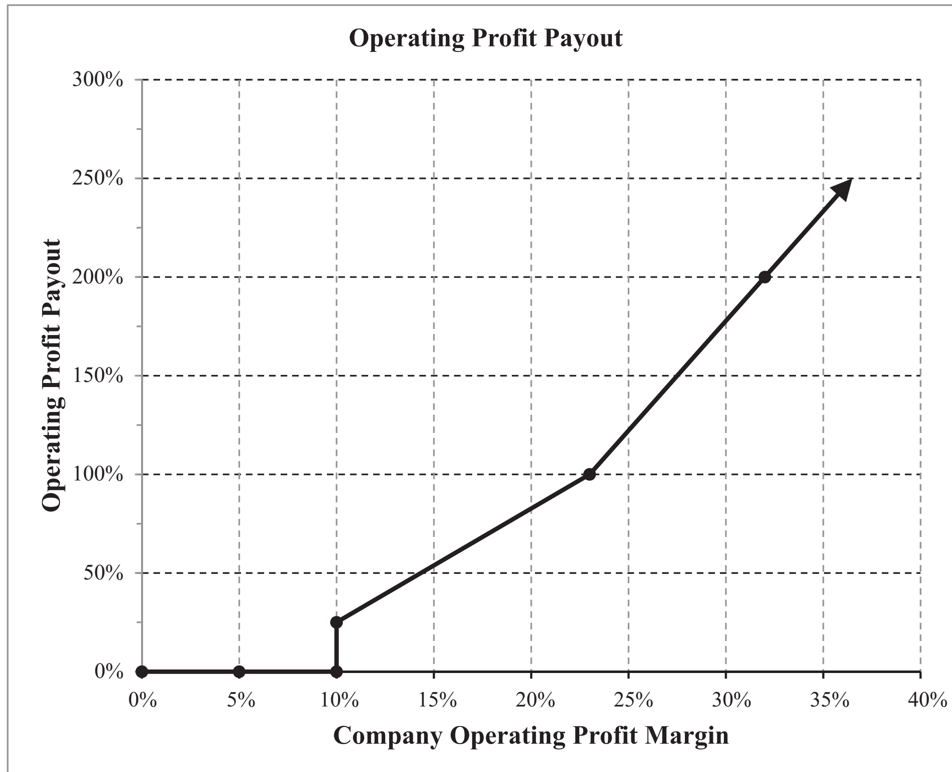
The Operating Profit Margin used in the Incentive Plan Pay-Out Percentage is defined in the Incentive Plan as the Company's consolidated GAAP operating income excluding (a) Incentive Plan and other bonus accruals and (b) any non-recurring items such as gains on sales of assets not otherwise included 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.

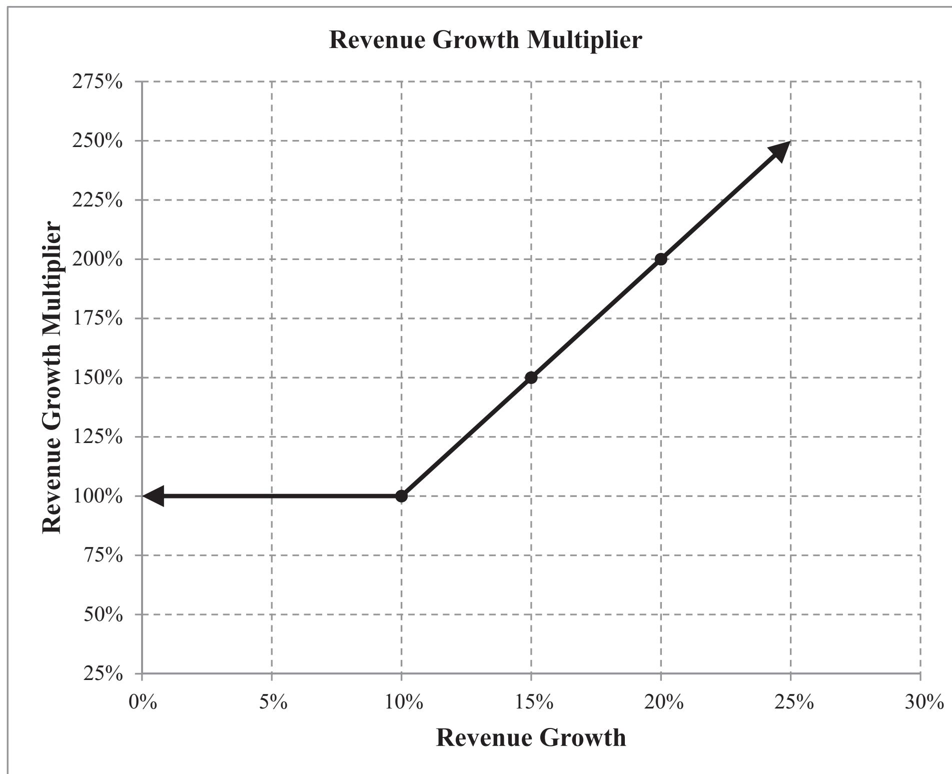
Incentive Plan Pay-Out Percentage = Operating Profit Payout × Revenue Growth Multiplier

For both semiannual periods of fiscal year 2021, the Compensation Committee determined that the operating profit payout would be determined according to the following graph, which remained unchanged relative to the prior fiscal year:



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% and follows this same slope for Operating Profit Margin values greater than 32%.

For both semiannual periods of fiscal year 2021, the Compensation Committee determined that the revenue growth multiplier would be determined according to the same methodology as the prior fiscal 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% and follows this same slope for revenue growth values greater than 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 2021, effective January 1, 2021, and coinciding with the appointment of Mr. Forsyth as CEO, the Compensation Committee adjusted the semiannual target bonus percentage for the CEO to 50% (previously, when Dr. Rhode held the position, the CEO's semiannual target bonus percentage was 75%). Also effective January 1, 2021, to coincide with his transition to Executive Fellow, Dr. Rhode's semiannual target bonus percentage was reduced to 37.5% pursuant to the Transition Agreement. Throughout fiscal year 2021, the semiannual target bonus percentage for our other Named Executive Officers' remained unchanged from last year 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 2021, the target total cash compensation for our Named Executive Officers was:

Named Executive Officer	Base Salary	Target First Half FY21 Cash Bonus	Target Second Half FY21 Cash Bonus	FY21 Target Total Cash Compensation
John M. Forsyth, President and Chief Executive Officer	$600,000	$150,000	$300,000	$1,050,000
Jason P. Rhode, Former Chief Executive Officer	$300,000	$600,000	$369,643	$1,269,643
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$440,000	$154,074	$165,000	$ 759,074
Jeffrey W. Baumgartner, Vice President, Research and Development	$375,000	$127,969	$140,625	$ 643,594
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$410,000	$143,325	$153,750	$ 707,075
Jo-Dee M. Benson, Vice President, Chief Culture Officer	$395,000	$139,230	$148,125	$ 682,355

Dr. Rhode's target second half cash bonus reflects prorating pursuant to the Transition Agreement. Specifically, Dr. Rhode's second half cash bonus reflects (1) his base salary and semiannual target bonus percentage for the portion of the second semiannual period during which he served as the Company's CEO, and (2) his base salary and semiannual target bonus percentage for the portion of the second semiannual period during which he served as an Executive Fellow.

With respect to the applicable Compensation Market Data, the target total cash compensation of:

- Mr. Forsyth falls below the 25th percentile;
- Mr. Baumgartner falls at approximately the 50th percentile; and
- Mr. Thomas, Mr. Case, and Ms. Benson fall between the 50th and 75th percentile.

4. Actual Cash Bonuses

The actual cash bonuses paid for each semiannual performance period for fiscal year 2021 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 2021, the Incentive Plan Pay-Out Percentage was 93%. 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 -6%.

As a result of the Company's performance in the second half of fiscal year 2021, the Incentive Plan Pay-Out Percentage was 243%. For that semiannual performance period, our Operating Profit Margin was 27% (which corresponded to a GAAP operating profit margin of 20%), and revenue growth was 19%.

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 2021, the actual cash bonuses and actual total cash compensation for our Named Executive Officers were therefore:

Named Executive Officer	Actual FY21 Salary	Actual First Half FY21 Cash Bonus	Actual Second Half FY21 Cash Bonus	FY21 Actual Total Cash Compensation
John M. Forsyth, President and Chief Executive Officer	$443,077	$139,957	$728,175	$1,311,209
Jason P. Rhode, Former Chief Executive Officer	$692,308	$559,827	$897,216	$2,149,351
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$414,787	$143,758	$400,496	$ 959,041
Jeffrey W. Baumgartner, Vice President, Research and Development	$345,794	$119,401	$341,332	$ 806,527
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$385,943	$133,729	$373,190	$ 892,862
Jo-Dee M. Benson, Vice President, Chief Culture Officer	$374,473	$129,908	$359,536	$ 863,917

Our above-target Operating Profit Margin and 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 only if the executive officer 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

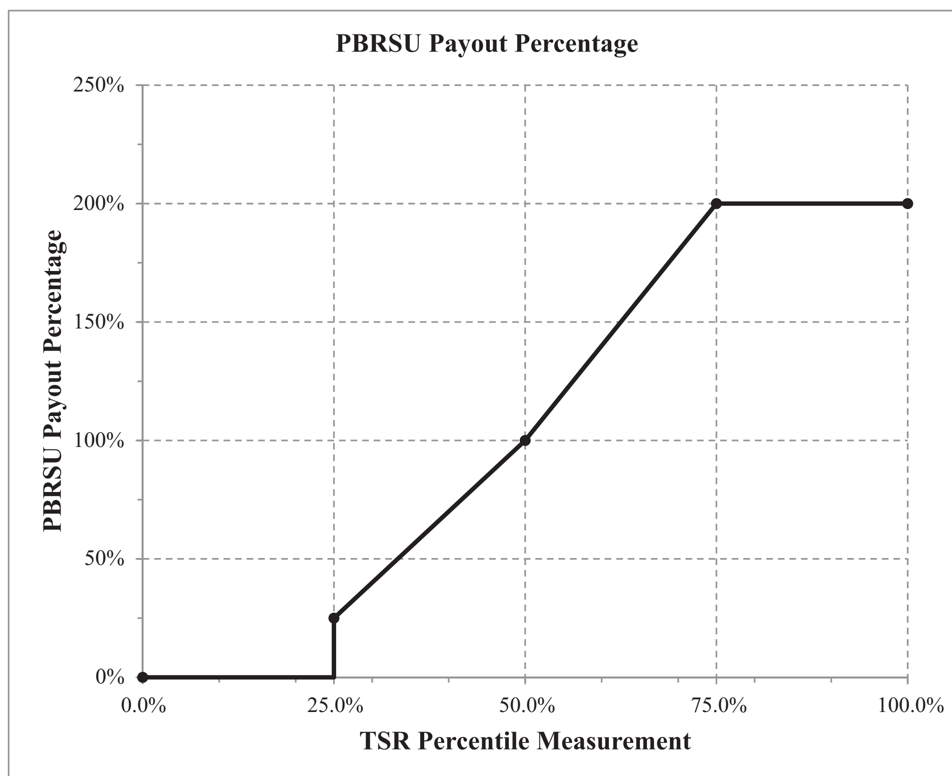
The Compensation Committee believes that the use of PBRSUs further promotes the achievement of our long-term strategic and operational objectives by strengthening the link of our Named Executive Officers' compensation to stockholder value creation.

PBRSU awards for fiscal year 2021 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%.

The PBRSU payout percentage is therefore determined according to the following graph, which remains unchanged relative to the prior fiscal year:



Within fiscal year 2018 (on November 1, 2017), PBRSUs were granted to Dr. Rhode, Mr. Case, Ms. Benson, and Mr. Thomas (at that time, Mr. Forsyth and Mr. Baumgartner were not executive officers). Over the following three-year performance period, our Percentile Measurement was 0%, leading to a payout percentage of 0%. Therefore, no corresponding shares vested during fiscal year 2021. 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 in conjunction with annual executive equity grants in fiscal years 2019, 2020, and 2021 have yet to be determined.

For information concerning the number of shares underlying the PBRSUs granted for fiscal year 2021, see the "*Fiscal Year 2021 Grants of Plan-Based Awards Table*" below. For information concerning the value realized during fiscal year 2021 as a result of exercised options and vested stock awards, see the "*Fiscal Year 2021 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 2021, 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. Although the Compensation Committee intended to grant a one-third mix of the various equity awards to the Named Executive Officers (based on the Company's estimated grant date fair value for those awards at the time of approval), the actual mix of awards deviated from the Compensation Committee's intention (as indicated in the chart below and in other compensation tables in this proxy statement) due to subsequent changes in the model inputs and assumptions used by the Company to compute the actual grant date fair value under FASB ASC Topic 718.

These equity awards were approved by the Compensation Committee on February 26, 2021, and granted in March 2021 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 Company previously granted its annual equity awards to executives in November 2019, representing a 16-month cycle.

In fiscal year 2021, no special equity award grants were made to executives.

For fiscal year 2021, 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 FY21 Cash Bonus	FY21 RSUs	FY21 PBRSUs	FY21 Options	FY21 Target Total Direct Compensation
John M. Forsyth, President and Chief Executive Officer	$600,000	$450,000	$949,728	$681,503	$878,258	$3,559,489
Jason P. Rhode, Former Chief Executive Officer	$300,000	$969,643	$ —	$ —	$ —	$1,269,643
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$440,000	$319,074	$273,858	$196,466	$253,220	$1,482,618
Jeffrey W. Baumgartner, Vice President, Research and Development	$375,000	$268,594	$353,262	$253,475	$326,728	$1,577,059
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$410,000	$297,075	$284,934	$204,443	$263,477	$1,459,929
Jo-Dee M. Benson, Vice President, Chief Culture Officer	$395,000	$287,355	$273,858	$196,466	$253,220	$1,405,899

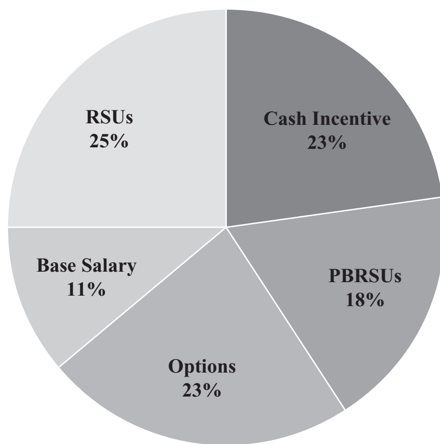
With respect to the applicable Compensation Market Data, the target total direct compensation of:

- Mr. Forsyth and Mr. Case fall below the 25th percentile;
- Mr. Baumgartner falls at approximately the 50th percentile;
- Mr. Thomas falls slightly below the 50th percentile; and
- Ms. Benson falls between the 50th and 75th percentiles.

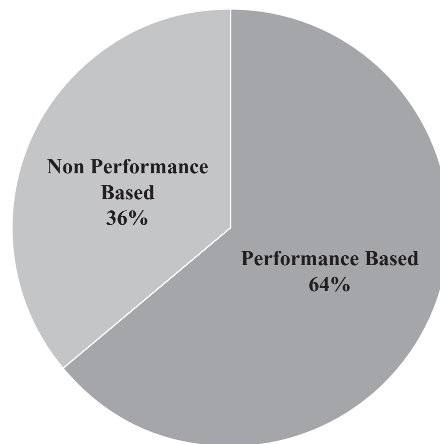
The Compensation Committee determined that the size of its equity awards for fiscal year 2021 was warranted and appropriate in view of the totality of circumstances, including the Company's performance over the 12 months prior to its compensation analysis and the numerous other factors noted in this proxy statement as being considered by the Compensation Committee. For example, the Compensation Committee approved grants for fiscal year 2021 that resulted in general alignment with the 50th percentile of the applicable Compensation Market Data for the majority of the Named Executive Officers, maintained internal pay equity, and with respect to the CEO also reflected his recent internal promotion as part of the Company's CEO transition plan announced in November 2020.

The following charts are based on figures presented in the Fiscal Year 2021 Summary Compensation Table below and show the primary components of our Named Executive Officers' fiscal year 2021 compensation (excluding values listed in the "All Other Compensation" column), along with the performance-based percentage of that compensation.

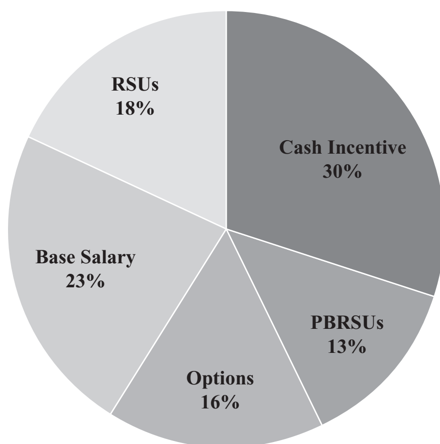
CEO Compensation, FY2021



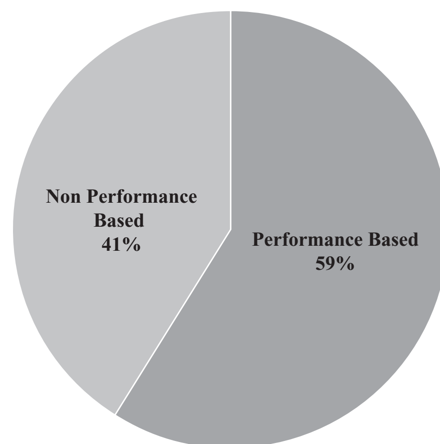
CEO Percentage of Performance-Based Compensation, FY2021



Named Executive Officer (other than CEO and former CEO) Compensation, FY2021



Named Executive Officer (other than CEO and former CEO) Percentage of Performance-Based Compensation, FY2021



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 executive officers were granted in March 2021 – just prior to the end of our fiscal year. The previous annual grants to executive officers were in November 2019. The Compensation Committee decided to defer executive officer grants until March 2021 to better align with our fiscal-year calendar. The Compensation Committee's decision allows us to benchmark our compensation decisions based on our full fiscal year performance and better aligns with the market conditions underlying our peers' disclosures.

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 their 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, health savings account contributions, 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. Employment Arrangements and Post-Employment Compensation

With the exception of the Transition Agreement described below, 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.

On October 30, 2020, the Company entered into a Transition Agreement with Jason P. Rhode, the current CEO, pursuant to which Dr. Rhode transitioned from his service as CEO on January 1, 2021 (the "Transition Commencement Date") into an Executive Fellow role, whereby he would provide certain transition and advisory services to the Company through January 1, 2022 (the "Transition Completion Date"). Dr. Rhode also resigned from the Company's Board effective on the Transition Commencement Date. During the period between the Transition Commencement Date and the Transition Completion Date (the "Transition Period"), Dr. Rhode will work with Mr. Forsyth following the transition of the CEO responsibilities, as well as continuing to be directly involved in customer relationships and talent development within the Company. In exchange for his services, Dr. Rhode will be entitled to receive an annual base salary of $300,000 per year and continue to receive his current benefits. He will also be eligible to participate in the Company's Incentive Plan at a semiannual target bonus of 37.5% of his base annual salary, prorated as described herein.

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 our 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 2021, 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 participants may receive a payout of greater than 250% of their 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 officer'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 annual equity awards to executive officers are granted near the end of our fiscal year, which allows us to benchmark our compensation decisions based on our full fiscal year performance and to better align with the market conditions underlying our peers' disclosures. This alignment in timing reduces risks associated with compensation being analyzed in timeframes significantly different than those used in such disclosures.
- 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 2021 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 27, 2021; March 28, 2020; and March 30, 2019; 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)
John M. Forsyth, President and Chief Executive Officer	2021 2020	$443,077 325,077	$1,631,231 2,091,292	$ 878,258 360,976	$ 868,132 380,581	$14,382 [(3)] 62,785	$3,835,080 3,220,711
Jason P. Rhode, Former Chief Executive Officer	2021 2020 2019	$692,308 800,000 800,000	$ — 2,550,240 2,163,850	$ — 1,504,072 1,276,439	$1,457,042 1,666,954 660,245	$ 9,560 [(4)] 11,058 10,787	$2,158,910 6,532,324 4,911,321
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	2021 2020 2019	$414,787 400,631 391,300	$ 470,324 561,792 358,663	$ 253,221 342,930 221,251	$ 544,255 420,984 161,471	$13,742 [(5)] 14,483 14,154	$1,696,329 1,740,820 1,146,839
Jeffrey W. Baumgartner, Vice President, Research and Development	2021	$345,794	$ 606,737	$ 326,728	$ 460,733	$ 8,808 [(6)]	$1,748,800
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	2021 2020 2019	$385,943 374,511 367,500	$ 489,377 561,792 378,227	$ 263,478 342,930 229,760	$ 506,918 392,878 151,650	$14,684 [(7)] 11,904 11,315	$1,660,400 1,684,015 1,138,452
Jo-Dee M. Benson, Vice President, Chief Culture Officer	2021 2020 2019	$374,473 363,811 357,000	$ 470,324 517,440 358,663	$ 253,221 315,857 221,251	$ 489,444 381,653 147,317	$14,109 [(8)] 14,434 12,986	$1,601,571 1,593,195 1,097,217

(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. With respect to the row corresponding to fiscal year 2020, the amounts reflect an update to correct the grant date accounting values. 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 27, 2021.

(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 $11,446 in matched contributions under our 401(k) plan, $1,500 in employee contributions to a health savings account under our health benefits program, $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.

(4) This amount includes $7,596 in matched contributions under our 401(k) plan, $1,518 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.
(5) This amount includes $8,010 in matched contributions under our 401(k) plan, $5,286 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.
(6) This amount includes $7,372 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. Baumgartner, and $446 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 $9,900 in matched contributions under our 401(k) plan, $1,500 in employee contributions to a health savings account under our health benefits program, $2,838 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.
(8) This amount includes $9,306 in matched contributions under our 401(k) plan, $4,357 associated with the value of insurance premiums paid with respect to life insurance for the benefit of Ms. Benson, 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 2021 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 27, 2021, 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)
John M. Forsyth, President and Chief Executive Officer	3/3/2021	2/26/2021							12,176			$949,728
	3/3/2021	2/26/2021				2,029	8,117	16,234				$681,503
	3/3/2021	2/26/2021								25,687	$78.00	$878,258
			$150,000	$600,000	$1,500,000							
Jason P. Rhode, Former Chief Executive Officer	3/3/2021	2/26/2021							—			$ —
	3/3/2021	2/26/2021				—	—	—				$ —
	3/3/2021	2/26/2021								—	$ —	$ —
			$ 56,250	$225,000	$ 562,500							
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	3/3/2021	2/26/2021							3,511			$273,858
	3/3/2021	2/26/2021				585	2,340	4,680				$196,466
	3/3/2021	2/26/2021								7,406	$78.00	$253,220
			$ 82,500	$330,000	$ 825,000							
Jeffrey W. Baumgartner, Vice President, Research and Development	3/3/2021	2/26/2021							4,529			$353,262
	3/3/2021	2/26/2021				755	3,019	6,038				$253,475
	3/3/2021	2/26/2021								9,556	$78.00	$326,728
			$ 70,313	$281,250	$ 703,125							
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	3/3/2021	2/26/2021							3,653			$284,934
	3/3/2021	2/26/2021				609	2,435	4,870				$204,443
	3/3/2021	2/26/2021								7,706	$78.00	$263,477
			$ 76,875	$307,500	$ 768,750							
Jo-Dee M. Benson, Vice President, Chief Culture Officer	3/3/2021	2/26/2021							3,511			$273,858
	3/3/2021	2/26/2021				585	2,340	4,680				$196,466
	3/3/2021	2/26/2021								7,406	$78.00	$253,220
			$ 74,063	$296,250	$ 740,625							

(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 27, 2021.

Fiscal Year 2021 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 27, 2021.

	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)
John M. Forsyth, President and Chief Executive Officer	2,604	7,813		$38.15	6/6/2028					
	1,302	5,209		$41.49	11/7/2028					
	4,000	8,000		$68.56	11/6/2029					
	—	25,687		$78.00	3/3/2031					
						6/6/2018	8,250	$ 684,833		
						6/6/2018			13,000	$1,079,130
						11/7/2018	4,125	$ 342,416		
						11/7/2018			3,100	$ 257,331
						11/6/2019	4,000	$ 332,040		
						11/6/2019			800	$ 66,408
						2/5/2020	18,815	$1,561,833		
						3/3/2021	12,176	$1,010,730		
						3/3/2021			2,029	$ 168,427
Jason P. Rhode, Former Chief Executive Officer	110,000	—		$38.99	10/3/2022					
	73,063	—		$31.25	11/4/2025					
	75,000	—		$54.65	11/2/2026					
	62,500	12,500		$55.72	11/1/2027					
	43,750	31,250		$41.49	11/7/2028					
	16,666	21,875		$68.56	11/6/2029					
						11/7/2018	25,000	$2,075,250		
						11/7/2018			20,000	$1,660,200
						11/6/2019	17,250	$1,431,923		
						11/6/2019			3,450	$ 286,385
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	5,000	—		$38.99	10/3/2022					
	2,666	—		$23.34	10/2/2023					
	6,957	—		$20.37	10/1/2024					
	7,046	—		$31.25	11/4/2025					
	8,239	—		$54.65	11/2/2026					
	10,833	2,167		$55.72	11/1/2027					
	6,583	5,417		$41.49	11/7/2028					
	3,800	7,600		$68.56	11/6/2029					
	—	7,406		$78.00	3/3/2031					
						11/7/2018	4,300	$ 356,943		
						11/7/2018			3,200	$ 265,632
						11/6/2019	3,800	$ 315,438		
						11/6/2019			760	$ 63,088
						3/3/2021	3,511	$ 291,448		
						3/3/2021			585	$ 48,561

Name	Option Awards					Stock Awards				
	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)
Jeffrey W. Baumgartner, Vice President, Research and Development	35,416	14,584		$38.34	5/2/2028					
	7,291	5,209		$41.49	11/7/2028					
	4,000	8,000		$68.56	11/6/2029					
	—	9,556		$78.00	3/3/2031					
						5/2/2018	16,500	$1,369,665		
						5/2/2018			13,000	$1,079,130
						11/7/2018	4,125	$ 342,416		
						11/7/2018			3,100	$ 257,331
						11/6/2019	4,000	$ 332,040		
						11/6/2019			800	$ 66,408
						3/3/2021	4,529	$ 375,952		
						3/3/2021			754	$ 62,590
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					
	13,500	—		$54.65	11/2/2026					
	11,250	2,250		$55.72	11/1/2027					
	7,875	5,625		$41.49	11/7/2028					
	3,800	7,600		$68.56	11/6/2029					
	—	7,706		$78.00	3/3/2031					
						11/7/2018	4,500	$ 373,545		
						11/7/2018			3,400	$ 282,234
						11/6/2019	3,800	$ 315,438		
						11/6/2019			760	$ 63,088
						3/3/2021	3,653	$ 303,236		
						3/3/2021			608	$ 50,470
Jo-Dee M. Benson, Vice President, Chief Culture Officer	18,000	—		$38.99	10/3/2022					
	13,000	—		$54.65	11/2/2026					
	10,833	2,167		$55.72	11/1/2027					
	7,583	5,417		$41.49	11/7/2028					
	3,500	7,000		$68.56	11/6/2029					
	—	7,406		$78.00	3/3/2031					
						11/7/2018	4,300	$ 356,943		
						11/7/2018			3,200	$ 265,632
						11/6/2019	3,500	$ 290,535		
						11/6/2019			700	$ 58,107
						3/3/2021	3,511	$ 291,448		
						3/3/2021			585	$ 48,561

(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 our common stock on March 26, 2021, (the last trading day of fiscal year 2021), which was $83.01 per share.
(5) This column corresponds to PBRSUs. The disclosed number of PBRSUs is based on the next higher performance level (threshold, target, or maximum) above the Company's performance through the most recently completed fiscal year. Accordingly, PBRSUs granted on November 6, 2019, and March 3, 2021, are listed at their threshold level because the Company's relative TSR performance for those awards through the most recently completed fiscal year would result in a payout of 0%. PBRSUs granted on May 2, 2018, and November 7, 2018, are listed at their target level because the Company's relative TSR performance for those awards through the most recently completed fiscal year would result in a payout of approximately 94%. PBRSUs granted on June 6, 2018, are listed at the maximum level because the Company's relative TSR performance for those awards through the most recently completed fiscal year would result in a payout of approximately 115%. The number of shares that ultimately 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. The PBRSUs granted on May 2, 2018 (listed at their target level in this table) vested on May 2, 2021 with an actual payout percentage of 82%.
(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 our common stock on March 26, 2021, (the last trading day of fiscal year 2021), which was $83.01 per share.

Fiscal Year 2021 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 2021.

	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)
John M. Forsyth, President and Chief Executive Officer	9,718	$ 421,921	8,000	$ 550,960
Jason P. Rhode, Former Chief Executive Officer	147,148	$6,722,993	25,000	$1,721,750
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	20,495	$ 869,891	4,300	$ 296,141
Jeffrey W. Baumgartner, Vice President, Research and Development	—	$ —	9,000	$ 619,830
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	—	$ —	4,500	$ 309,915
Jo-Dee M. Benson, Vice President, Chief Culture Officer	—	$ —	4,300	$ 296,141

(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

Under the Transition Agreement noted herein (see the section of this proxy statement entitled, "*Employment Arrangements and Post-Employment Compensation*"), if Dr. Rhode provides continual services throughout the Transition Period and signs a release of all claims against the Company, then any portion of Dr. Rhode's unvested equity awards pursuant to the Company's 2018 Long Term Incentive Plan (the "LTI Plan") that were scheduled or would become eligible to vest up to the 12-month period immediately following the Transition Completion Date shall fully vest automatically. With respect to any Awards (as defined in the LTI Plan) that are subject to performance-based vesting conditions, performance will be calculated based upon the actual performance of such Award as of the

Transition Completion Date as calculated in accordance with the terms and conditions of the LTI Plan and any individual Award agreements governing such Award. The Board believes that the total compensation, including the acceleration of vesting of Awards if Dr. Rhode provides continual services through the Transition Period, properly balances the Board's desire to induce Dr. Rhode to remain engaged with the leadership of the Company as part of a planned executive succession strategy while also supporting the timely transition of his management roles and responsibilities to Mr. Forsyth.

During the Transition Period, Dr. Rhode will continue to be eligible to receive the benefits, if any, provided for non-CEO executives under the 2007 Severance Plan. In addition to the benefits provided under the 2007 Severance Plan, in connection with any determination by the Company to terminate Dr. Rhode without Cause or Dr. Rhode's resignation following a Change of Control (capitalized terms defined as in the 2007 Severance Plan), any portion of Dr. Rhode's Awards (as defined in the LTI Plan) that were scheduled or would become eligible to vest had Dr. Rhode remained employed with the Company until the Transition Completion Date shall fully vest automatically. With respect to any Awards referenced in the previous sentence that are subject to performance-based vesting conditions, performance will be calculated based upon the actual performance of such Award as of the date of the applicable termination, calculated in accordance with the terms and conditions of the LTI Plan and any individual Award agreements governing such Award.

With the exception of the Transition Agreement, 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, including Dr. Rhode pursuant to the terms of his Transition Agreement. 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) they 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, they 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 them 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. Dr. Rhode's Transition Agreement modifies the payments and benefits that he could receive pursuant to the 2007 Severance Plan by limiting the acceleration of equity awards to those that were scheduled or would become eligible to vest up to the 12-month period immediately following the Transition Completion Date, and modifying the qualifying termination scenarios to a termination without cause or a resignation by Dr. Rhode following a change in control.

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 their 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, they or their estate, as applicable, will receive the Change of Control Termination Payment described above.

With respect to Dr. Rhode, his Transition Agreement provides for potential payments and benefits as described in the section immediately above entitled, "Potential Payments upon Termination or Change of Control."

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 their position after the provision of reasonable accommodation, if applicable, for a period of greater than 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 their 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, participants will receive a pro rata cash payment of their 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 27, 2021, the last day of fiscal year 2021. 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 2021. 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 27, 2021 (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. For purposes of our calculations, we have assumed that all material compensation elements and expenses have been paid current, and there would be no need to include additional values for items such as accrued vacation or paid time off.

Name	Salary Continuation[(1)]	Health Benefits (up to 3 months)[(2)]	Cash Bonus Under Incentive Plan[(3)]	Total
John M. Forsyth, President and Chief Executive Officer	$600,000	$5,919	$300,000	$905,919
Jason P. Rhode, Former Chief Executive Officer	$150,000	$1,973	$112,500	$264,473
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$220,000	$4,349	$165,000	$389,349
Jeffrey W. Baumgartner, Vice President, Research and Development	$187,500	$6,341	$140,625	$334,466
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$205,000	$5,919	$153,750	$364,669
Jo-Dee M. Benson, Vice President, Chief Culture Officer	$197,500	$4,349	$148,125	$349,974

(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 27, 2021. 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 27, 2021.
(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 27, 2021.
(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 they 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 27, 2021, 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 27, 2021.

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 (for all Named Executive Officers other than Dr. Rhode, as noted above), 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), although acceleration for Dr. Rhode will be limited to awards that were scheduled or would become eligible to

vest up to the 12-month period immediately following the Transition Completion Date. 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
John M. Forsyth, President and Chief Executive Officer	$1,200,000	$6,479,233	$23,676	$300,000	$8,002,909
Jason P. Rhode, Former Chief Executive Officer	$ 300,000	$8,267,629	$ 7,891	$112,500	$8,688,020
Thurman K. Case, Vice President, Chief Financial Officer and Principal Accounting Officer	$ 440,000	$2,107,030	$17,395	$165,000	$2,729,425
Jeffrey W. Baumgartner, Vice President, Research and Development	$ 375,000	$5,303,994	$25,364	$140,625	$5,844,983
Gregory S. Thomas, Senior Vice President, General Counsel and Corporate Secretary	$ 410,000	$2,172,312	$23,676	$153,750	$2,759,738
Jo-Dee M. Benson, Vice President, Chief Culture Officer	$ 395,000	$2,053,535	$17,395	$148,125	$2,614,055

(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 27, 2021. 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 27, 2021.

(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 26, 2021 (the last trading day prior to March 27, 2021), which was $83.01 per share, and (2) the value of the RSUs and target-level PBRSUs subject to accelerated vesting based on that same closing market price. With respect to Dr. Rhode, his equity award acceleration is limited to the outstanding awards that were scheduled or would become eligible to vest up to the 12-month period immediately following the Transition Completion Date.

(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 27, 2021.

(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 27, 2021.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of March 27, 2021 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]	3,805,410[2]	$49.87[3]	4,025,179
Equity Compensation Plans Not Approved by Security Holders	0	0	0
TOTAL	**3,805,410**	**$ 49.87**	**4,025,179**

(1) As of March 27, 2021, 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 2,745,558 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 our CEO.

In fiscal year 2021, the Company had two non-concurrent CEOs, Dr. Rhode and Mr. Forsyth. Dr. Rhode served as CEO until January 1, 2021, and, as effective on that date, Mr. Forsyth has then served as our CEO. For purposes of the CEO pay ratio, we calculated the compensation paid to Dr. Rhode and Mr. Forsyth corresponding to the time each individual served as CEO and combined those amounts. Specifically, base salaries were added according to dates of service as CEO, cash bonus amounts were prorated according to the time served as CEO, and equity compensation was represented by Mr. Forsyth's equity grants since executive equity grants were made during the fourth quarter, at a time when Mr. Forsyth was CEO. Dr. Rhode did not receive equity grants during fiscal year 2021.

For fiscal year 2021:

- the median of the annual total compensation of all employees of our Company (excluding Dr. Rhode and Mr. Forsyth) was $160,946; and
- the annual total CEO compensation was $4,966,496. This figure represents $1,950,964 in compensation associated with Dr. Rhode up until January 1, 2021, and $3,015,532 in compensation associated with Mr. Forsyth from January 1, 2021 until the end of the fiscal year.
- Based on this information, the CEO annual total compensation was estimated to be 30.9 times that of the median of the annual total compensation of all employees (excluding Dr. Rhode and Mr. Forsyth).

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 27, 2021. We considered all employees at our consolidated subsidiaries and all worldwide employees (other than Dr. Rhode and Mr. Forsyth who had each served as CEO during the fiscal year), 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 2021 using salary or base pay rate as of March 27, 2021, (2) all cash bonuses earned during fiscal year 2021, and (3) the aggregate full grant date fair value of equity awards granted during fiscal year 2021, 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, 2021. 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.

Using this methodology, we determined that the median employee was a full-time software developer 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 2021 pursuant to Item 402(c)(2)(x) of Regulation S-K: $160,946. For the CEO annual total compensation, we calculated the compensation of Dr. Rhode and Mr. Forsyth corresponding to their respective times as CEO as noted above: $4,966,496.

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 27, 2021, 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 27, 2021, as filed with the SEC.

Submitted by the Audit Committee of the Board:

Alexander M. Davern, Chair
John C. Carter
Deirdre R. Hanford

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 2021 and 2020. All fees were pre-approved by the Audit Committee.

	2021	2020
Audit Fees	$1,395,000	$1,377,000
Audit-Related Fees	$ 4,500	$ 32,078
Tax Fees	$ 255,806	$ 220,000
All Other Fees	$ 2,852	$ 2,268
Total	$1,658,158	$1,631,346

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 2021 tax fees include $141,100 in tax compliance and tax return preparation services. The remainder of the fiscal year 2021 tax fees relate to technical tax advice and tax planning. 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 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 Party Transactions. The Board recognizes that Related Party 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 Related Party Transactions greater than $50,000. Related Party Transactions less than $50,000 are reported to the Audit Committee at least annually.

Pursuant to these procedures, the Audit Committee must review, approve, or ratify any such transactions with Related Persons (as defined below). When it is impractical to wait for a scheduled Audit Committee meeting, a proposed Related Party 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 Party Transactions, this procedure sets forth a methodology for considering a proposed Related Party Transaction in which the standard to be applied is whether such transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.

For these purposes, a "Related Person" is any person who: (1) is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company; (2) is known to be the beneficial owner of more than 5% of any class of the Company's voting securities; (3) is an immediate family member of any of the foregoing persons; or (4) any firm, corporation, or other entity in which any of the foregoing persons is employed or is a director, general partner or principal or in a similar position, or in which such person has a 5% or greater beneficial ownership interest.

For these purposes, a "Related Party Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company was, is or will be a participant and in which a Related Person had, has, or will have a direct or indirect interest.

Transactions with Related Persons. For fiscal year 2021, we had no material related party transactions that were required to be disclosed in accordance with SEC regulations.

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 2021 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 21, 2021, we filed with the SEC an Annual Report on Form 10-K for the fiscal year ended March 27, 2021. 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

John M. Forsyth
President and Chief Executive Officer
Austin, Texas
June 3, 2021

ANNEX

INCENTIVE PLAN RECONCILIATION

	6 Months Ended	
	2H'21	**1H'21**
Net Revenue	**$779,332**	**$589,898**
Cost of Sales	$379,713	$282,216
Gross Profit	**$399,619**	**$307,682**
Total Operating Expenses	**$245,265**	**$224,854**
Total Operating Income	**$154,354**	**$ 82,828**
Operating Income Percentage	20%	14%
Operating Income Reconciliation		
GAAP Operating Income	**$154,354**	**$ 82,828**
Amortization of acquisition intangibles	$ 5,996	$ 5,996
Stock compensation expense	$ 27,981	$ 28,782
Other adjustments **	$ —	$ 352
Bonus VCP, Executive, Leadership Plan Exclusion	$ 22,817	$ 10,872
Non GAAP Operating Income Used for Bonus Plans	**$211,148**	**$128,830**
Non GAAP Operating Income Percentage Used for Bonus Plans	27%	22%

** *Other adjustments may include certain acquisition expenses, litigation expenses, patent agreements, restructuring items, sales reorganizations, asset gains, impairments, or other.*

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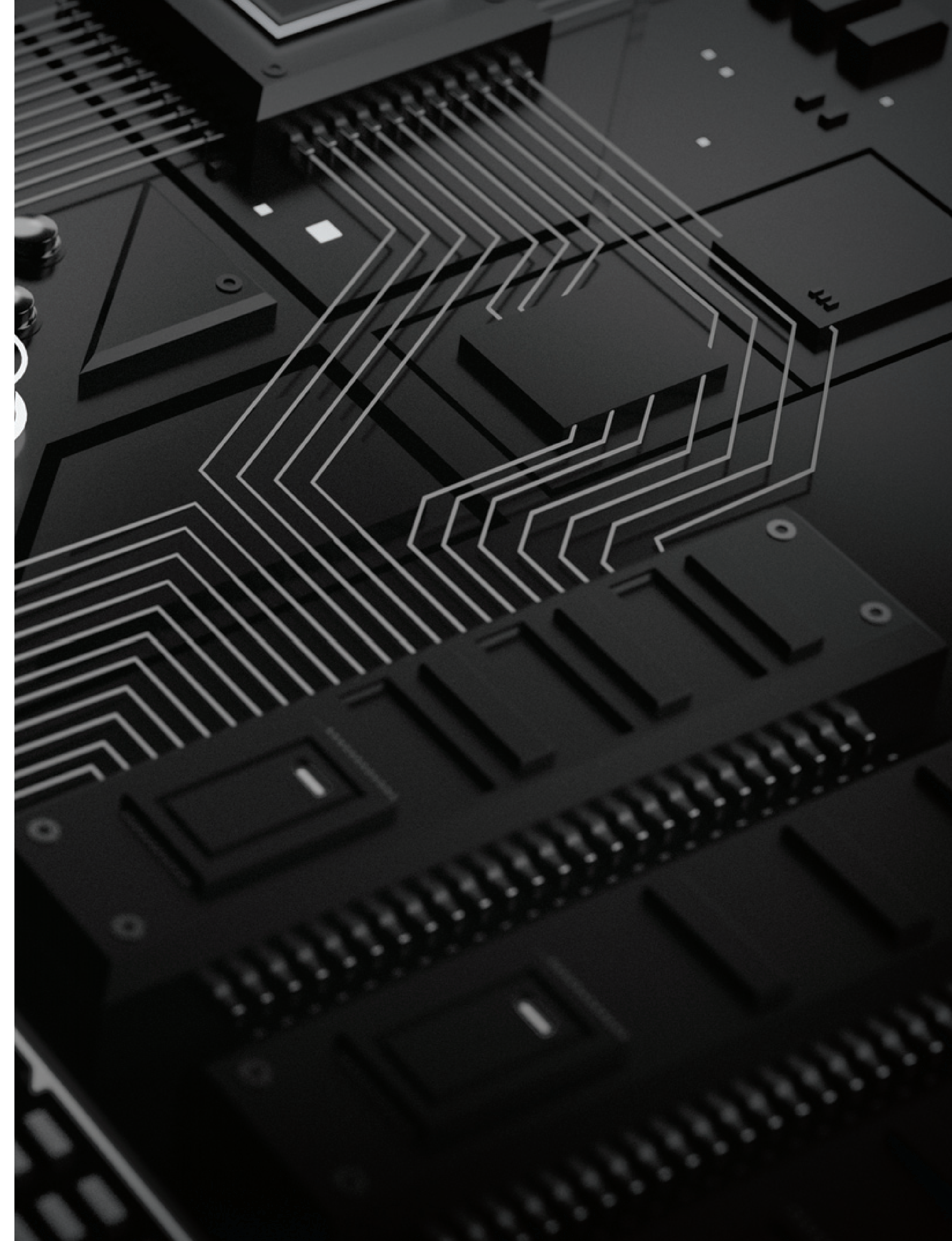

CORPORATE HEADQUARTERS

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