

# **Cirrus Logic, Inc.**

## **Corporate Governance Guidelines**

### **I. Introduction**

The policy of the Board of Directors (the “Board”) of Cirrus Logic, Inc. (the “Company” or “Cirrus Logic”) is that the Company shall take all necessary action to comply fully with all applicable provisions of the Sarbanes-Oxley Act of 2002, regulations of the Securities and Exchange Commission (the “SEC”) and the NASDAQ Stock Market, LLC (“NASDAQ”), and to adopt practices and procedures designed to assure that the Company conducts its business in accordance with all applicable laws and regulations and effectively pursues its objectives for the benefit of its stockholders. These guidelines have been prepared by the Governance and Nominating Committee of the Board (the “Governance Committee”), in consultation with counsel, and approved by the Board, and are intended to establish practices and procedures designed to implement this policy. These guidelines supplement the Company’s existing policies and the charters of the committees of the Board and are subject in all respects to the provisions of the Company’s certificate of incorporation and bylaws, as each may be amended from time to time.

### **II. Director Qualifications**

#### General

The Board will have at least two-thirds (2/3<sup>rds</sup>) of its directors who meet the criteria for independence required by the applicable listing standards of NASDAQ and other applicable laws and regulations (the “Independent Directors”). The Governance Committee will review, on an annual basis, the requisite skills and characteristics of all Board members, taking into consideration skills and experience in the context of the needs of the Board. Nominees for directorship will be selected and considered by the Governance Committee in accordance with its charter. An invitation to join the Board should be extended on behalf of the Board by the Chair of the Governance Committee and the Chair of the Board. The Chief Executive Officer (“CEO”) shall be the only member of the Board who is an executive officer of the Company.

#### Size of Board

Subject to the Company’s Certificate of Incorporation and By-Laws, the Board shall be limited to eight or fewer members, except during certain periods, such as director transitions and the integration of acquisitions.

#### Service on Other Boards

Due to the commitment of time required to adequately fulfill the responsibilities of Board membership, no director who is also an executive officer of the Company may serve on more than one other public company board. No non-employee director may serve on more than four other public company boards. Directors should advise the Chair of the Board and the Chair of the Governance Committee in advance of accepting an invitation to serve on another company board.

#### Board Evaluation Process

The Governance Committee will oversee an annual self-assessment of the Board’s performance as well as the performance of each committee of the Board.

#### Annual Review for Re-Election

The Governance Committee will review each director's continuation on the Board every year. This will allow each director the opportunity to conveniently confirm their desire to continue as a member of the Board.

#### Directors Who Change Their Present Job Responsibility

It is not necessary that directors leave the Board when they retire or change their present position or employer. A director should, however, offer to resign to provide an opportunity for the Board, via the Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

#### Retirement Policy

Board members will retire at the first stockholders' meeting in which directors will be elected following the director's 75th birthday.

### **III. Director Responsibilities**

#### General

The basic responsibility of each director is to exercise their business judgment to act in what they reasonably believe to be in the best interest of the Company and its stockholders. In discharging this obligation, directors should be entitled to rely on the honesty and integrity of the Company's executive officers and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' liability insurance on their behalf, and to receive the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation, By-Laws and any indemnification agreements.

#### Risk Oversight

The Board plays an ongoing role in the oversight of management's assessment of the major risks facing the Company and management's efforts to address those risks. The Board oversees the implementation of reasonable information and reporting systems designed to inform them of the materials risks related to the Company's overall business strategy. The Board reserves oversight of the major risks facing the Company and has delegated risk oversight responsibility to the appropriate committees in the following areas: the Audit Committee oversees risks relating to financial matters, financial reporting and auditing, information security, and cybersecurity; the Compensation and Human Resources Committee ("Compensation Committee") oversees risks relating to the design and implementation of the Company's compensation policies and procedures; and the Governance Committee oversees risks relating to corporate governance policies and related governance matters.

#### Selection of Chair of the Board

The Board is free to select its Chair in the manner and upon the criteria that it deems best for the Company at the time of selection, except that the CEO shall not be eligible to be selected as Chair of the Board. The Chair of the Board will:

- a) Seek input from all directors as to the preparation of the agendas for Company board and Committee meetings;
- b) Advise the Board as to the quality, quantity, and timeliness of the flow of information from the Company's management that is necessary for the

Independent Directors to effectively and responsibly perform their duties;  
and

- c) Assist the Company's officers in assuring compliance with and implementation of all applicable corporate and securities laws and the Company's corporate governance guidelines.

#### Lead Independent Director

In the event that the Chair of the Board is not an Independent Director, the Independent Directors will designate an Independent Director to be the "Lead Independent Director." The Lead Independent Director shall coordinate the activities of the other Independent Directors and perform various other duties. Service of the Lead Independent Director shall not exceed five (5) years.

#### Attendance at Board Meetings

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting generally should be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

#### Attendance at Annual Meeting

Directors are expected to attend the Company's annual meeting absent extraordinary circumstances.

#### Content of Board Meetings

The Chair of the Board will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

#### Executive Session

The Company's Independent Directors will usually meet in executive session during each regularly scheduled Board meeting.

#### Potential Conflicts of Interest

Board members are required to accurately and completely disclose to the Board (or any applicable committee) all financial interest or personal interest that they have in any contract or transaction that is being considered by the Board (or any committee) for approval. Disclosed conflicts of interest shall be included in the minutes of the meeting.

In addition, Board members undertaking any transaction or personal or professional relationship that reasonably could be expected to give rise to an actual or apparent conflict or disparity of interest between the director and the Company must promptly disclose this activity for review by the Governance Committee.

#### Board Interaction with Investors, Press, Customers, etc.

The Board believes that management speaks for the Company when dealing with the media, investors, rating agencies, stockholders, customers, regulators, and other similar constituencies.

### **IV. Board Committees**

#### General

The Board will have at all times an Audit Committee, a Compensation Committee and a Governance Committee. All of the members of these committees will meet the criteria for independence required by applicable listing standards of NASDAQ and other applicable laws and regulations. Committee members will be appointed by the Board upon recommendation of the Governance Committee with consideration of the desires of individual directors. It is the belief of the Board that consideration should be given to rotating committee members periodically. It is expected that each committee Chair will have had previous service on the applicable committee.

#### Charters

Each committee will have its own charter, which is approved by the Board. The charters will establish the purposes, goals, and responsibilities of the committees, as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure, operations, and reporting to the Board.

#### Schedule and Timing of Meetings

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Annually, each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors. Board members are welcome to attend any Committee meeting, whether they are a member of the committee or not.

#### Additional Committees

The Board may, from time to time, establish or maintain additional committees as deemed necessary or appropriate.

### **V. Director Access To Officers and Employees**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent deemed appropriate by the director, inform the CEO that such communications are taking place.

## **VI. Director Compensation**

### General

The Board believes that director compensation should include components that are designed to align the interests of the directors with the interests of stockholders and that the aggregate value of director compensation and perquisites should generally be at or near the median level of director compensation at peer companies. The form and amount of director compensation will be recommended to the Board by the Compensation Committee in accordance with the policies and principles set forth in its charter.

### Expense Reimbursement

A director of the Company will be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the Company, if the following conditions are satisfied: (a) the expenses are reasonable in amount; (b) the director documents the amount, date, place (for transportation, travel, and entertainment expenses), business purpose (and for entertainment expenses, the business relationship of the person or persons entertained) of each such expense with the same kind of documentary evidence as would be required to support a deduction of the expense on the director's federal income tax return; and (c) the director substantiates such expenses by providing the Company with an accounting of such expenses within a reasonable amount of time. Examples of reimbursable business expenses include local transportation, overnight travel (including lodging and meals), entertainment, education, and professional dues. Under no circumstances will the Company reimburse a director for business or professional expenses incurred that are not properly substantiated according to this policy.

If an expense is not substantiated in a reasonable amount of time (typically within 60 days of incurring the expense), or the expenses are reimbursed without adequate records, the Company may be required to include the expense reimbursement in the director's form 1099 as income. In addition, any reimbursement by the Company that exceeds the amount of business or professional expenses properly accounted for by a director pursuant to this policy should be returned to the Company within 60 days after the associated expenses are paid.

It is the Company's intent that this reimbursement policy be classified as an accountable plan. Accordingly, the Company will not include in a director's form 1099 the amount of any business or professional expense properly substantiated and reimbursed according to this policy.

### Director Independence in View of Charitable Contributions

Charitable contributions by the Company exceeding \$10,000 in any calendar year to an organization in which an independent director is affiliated shall be subject to the approval of the Compensation Committee, which shall consider the impact of any such contributions on the applicable director's independence.

## **VII. Stock Ownership Guidelines**

The Board has established stock ownership guidelines for our CEO, non-employee directors, and officers of the Company subject to the requirements of Section 16 of the Securities Exchange Act of 1934, to more closely link their interests with those of other Cirrus Logic stockholders. These guidelines became effective as of the Company's 2016 Annual Meeting (the "Effective Date").

Specifically, within the later of five years from the Effective Date of these ownership guidelines or five years from their appointment as an executive officer or initial election to the Board (the “Phase-in Period”), each individual subject to the guidelines is expected to accumulate and maintain an ownership position in Cirrus Logic 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

After the Phase-in Period, an individual will be deemed to continue to be meeting the guidelines notwithstanding a subsequent decline in the market price of Cirrus Logic shares. At any time after the Phase-in Period, if an individual’s ownership level is below the guideline due to a decline in the market price of Cirrus Logic shares, then they will be restricted from executing a disposition of any Cirrus Logic securities (unless pursuant to a previously entered into 10b5-1 trading program or for stock sales or share withholdings that reflect an amount equal to a good faith estimate of the taxes and transaction costs expected to be incurred in connection with the exercise of options and the vesting of stock awards). In addition, the individual may be restricted from entering into a new 10b5-1 trading program relating to any Cirrus Logic securities, until the ownership guideline can be satisfied based on the then current stock price and after giving effect to the proposed disposition. In the event the non-employee directors’ annual cash retainer or an executive officer’s salary increases, that individual shall have one year from the time of the increase to acquire any additional securities needed to meet the applicable guideline.

The following are considered shares held for purposes of determining satisfaction of the applicable ownership guideline: (1) common stock beneficially owned individually, either directly or indirectly; (2) common stock beneficially owned jointly with, or separately by spouse and/or minor children, either directly or indirectly; (3) shares held in an individual retirement account (including accounts of spouses); and (4) shares held in revocable trusts funded by the individual (or their spouse) and for which the individual or spouse serves as a trustee.

#### Exceptions

The stock ownership guidelines may be waived at the discretion of the Governance Committee, if compliance would create severe hardship or prevent an executive officer or non-employee director from complying with a court order, as in the case of a divorce settlement. It is expected that these instances will be rare. If an exception is granted in whole or in part, the Governance Committee will, in consultation with the affected executive officer or non-employee director, develop an alternative stock ownership guideline for such individual that reflects both the intent of these guidelines and such individual's particular circumstances.

#### Administration

The stock ownership guidelines are administered, interpreted and construed by the Company’s General Counsel, who will have the authority to implement, interpret, and carry out these guidelines in accordance with their terms and conditions, subject to oversight by the Governance Committee. The Governance Committee has the authority to amend the stock ownership guidelines or approve exceptions, including as described herein.

## **VIII. Continuing Director Education**

The Board believes that it is appropriate for directors, at their discretion, to attend continuing director education programs related to their duties as directors. Upon approval by the Chair of the Governance Committee, the Company will reimburse reasonable continuing education and travel expenses incurred by a director in attending such programs. The Company will provide a reasonable budget to each member of the Board for the purpose of attending director education programs of the director's choosing.

## **IX. Management Evaluation, Compensation Review, and Succession Planning**

### Review of CEO and Executive Officers

The Board will review the CEO's, the Chief Financial Officer's, and the Chief Legal Officer's (or General Counsel) performance on an annual basis.

### Compensation Review

At least once every three years, the Compensation Committee shall select and retain an independent consultant to conduct a comparative study of the Company's executive compensation policies, practices, and procedures (including specifically with respect to options) relative to other public companies and prepare and submit to the Compensation Committee a report and recommendations.

### Succession Planning

The Board will evaluate and nominate potential successors to the CEO. The CEO may make available their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **X. Director Nominations Process**

The Governance Committee will review annually 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 Committee will evaluate candidates for directors proposed by directors, stockholders or management in light of the Governance 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 Committee. The process for stockholder recommendations of director candidates will be determined from time to time by the Governance Committee and shall be in compliance with the Company's bylaws and all applicable laws, rules and regulations. If the Governance Committee believes that the Board requires additional candidates for nomination, the Governance 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 Committee. The Governance Committee believes it is important to consider diversity of gender, race, ethnicity, sexual orientation, age, education, cultural background, and professional experiences and requires 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 the Company's business and represent stockholder interests through the exercise of sound judgment and constructive working relationships.

## **XI. Shareholder Proposals**

The process for shareholder proposals will be determined from time to time by the Governance Committee and shall be in compliance with the Company's bylaws and all applicable laws, rules and regulations. If it is determined that a shareholder proposal is required to be included in the Company's proxy statement, it shall be evaluated by the Governance Committee, which shall determine, with the assistance of outside advisors if necessary, whether the shareholder proposal is in the best interest of the Company. The Governance Committee shall recommend to the Board for or against such shareholder proposal and the reasons for such recommendation. The Board shall publish the recommendation for or against such proposal and the reason for such recommendation in a proxy statement.

## **XII. Director Resignation Policy**

Any nominee for director who receives a greater number of "withhold" votes than "for" votes in an uncontested election 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 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 such Committee's recommendation, within 90 days following the certification of the election results. The Governance 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 their contributions to the Board and the Company. The Board will promptly disclose publicly its decision to accept or reject such a resignation and, if rejected, the reasons for doing so.

## **XIII. Communications with the Board**

The Corporate Secretary, or the Chair of the Governance Committee, as appropriate, shall review correspondence addressed to the Board and regularly forward to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary and/or the Chair of the Governance Committee, deals with the functions of the Board or committees thereof. Directors may at any time review a log of all correspondence received by the Company that is addressed to the Board or individual members thereof. Concerns relating to accounting, internal controls, or auditing issues will be immediately brought to the attention of the Audit Committee Chair.

## **XIV. Limitations**

These guidelines are a statement of policy and are not intended to change or interpret any federal or state law or regulation, including Delaware General Corporation Law, or the certificate of incorporation or bylaws of the Company.