

Cirrus Logic UK Tax Strategy

Published September 2017

Our Approach to Tax

We see tax as an important part of our corporate responsibility. Our tax policy reflects and supports our broader business strategy. All taxes and charges are paid according to local laws and regulations in the countries where we operate.

Our Global Tax Function

Taxation is part of the worldwide group's global finance function, which is ultimately the managerial responsibility of the Chief Financial Officer. Our UK entities are key subsidiaries within a multinational group. The global finance function has professionals located in and dedicated to the management of UK taxation.

Our UK Tax Strategy

Cirrus Logic's global tax strategy, with which the UK tax strategy is closely aligned, is founded on the key principles of compliance and integrity. This means that at Cirrus Logic:

- We comply with all relevant local tax laws and international regulations in calculating taxes due. We will also pay these taxes and file all associated tax returns in a timely manner.
- We do not engage in transactions that are driven solely by tax benefits. We will take advantage of tax allowances and reliefs where these arise as a result of the commercial transactions which we undertake.
- We cooperate with tax authorities with respect to our tax affairs, proactively engaging in constructive discussion where possible to help both the group and the tax authorities gain clarity on the group's tax position.

Our Approach to Tax Risk

Cirrus Logic's approach to risk management is ultimately defined by the desire to protect the assets and reputation of the business and its stakeholders. In line with this approach, we seek to minimise tax risks where possible and accordingly will not engage in any transactions purely for tax purposes.

To support this approach, we manage our tax affairs within a robust governance framework with strong communication lines in place to ensure that all relevant stakeholders are consulted when making business decisions that have a tax impact.

Our Management of Tax Risks

Given the size and complexity of the business and our activities, the group is naturally exposed to a number of different tax risks. The group aims to manage these tax risks through various means:

- Employment of a qualified in-house tax team based in the US and UK, who undertake regular training to maintain an up-to-date skill set. The tax team are responsible for all corporate income tax reporting and tax compliance activities, as well as providing input or assistance in other relevant business matters as required.
- Engagement with external tax firms on significant tax matters or transactions where expert, objective advice is required.
- The tax function performs its activities and duties within a robust reporting and control framework which is documented and reviewed regularly by internal and external auditors.
- Strong communication and reporting structures are in place to ensure a consistent flow of information to management.

Our Attitude to Tax Planning

The commercial needs of the group are the key focus and all tax planning is undertaken in this context and in response to specific business requirements. The basis of Cirrus Logic's tax planning activities is to support the commercial requirements of the business. However, we also have a duty to organise our tax affairs so as to minimise our tax burden, thereby maximising value for our shareholders, and we do this by ensuring that business transactions and operations are undertaken in the most tax-efficient manner.

Our Relationship with Tax Authorities

Cirrus Logic welcomes open and collaborative dialogue with tax authorities in the jurisdictions in which we operate, particularly in the US and the UK where we make significant tax contributions. We seek to maintain a strong, pro-active working relationship with HMRC and other tax authorities throughout the world.