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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

September 27, 2007

Cirrus Logic, Inc.

(Exact name of registrant as specified in its charter)

Delaware

0-17795

77-0024818

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

2901 Via Fortuna, Austin, Texas

78746

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

512-851-4000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

#### **2007 Management and Key Individual Contributor Incentive Plan**

On September 27, 2007, the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of Cirrus Logic, Inc. (the "Company") approved the 2007 Management and Key Individual Contributor Incentive Plan (the "Incentive Plan"). The Incentive Plan is designed to provide employees who are in a management or leadership position in the Company, or who are key individual contributors whose efforts potentially have a material impact on the Company's performance, with incentives to improve the Company's financial performance through the achievement of semi-annual performance goals.

Pursuant to the Incentive Plan, participants (including the Company's Chief Executive Officer, Chief Financial Officer, and other executive officers) are eligible for semi-annual cash bonus payments. The Incentive Plan sets our Chief Executive Officer's target bonus for a semi-annual period at 37.5% of his annual base salary, and certain other executive officers' target bonuses for a semi-annual period, including our Chief Financial Officer's target bonus, at 25% of their annual base salary. The target bonuses for other management and key individual contributors may range from 5% to 25% of their annual base salary, as determined by the Company's Chief Executive Officer or such other person designated by the Company's Chief Executive Officer. Payments are determined based on the achievement of certain operating profit margin and revenue growth goals set by the Company's Compensation Committee prior to the commencement of each semi-annual period. These performance components are expected to be set such that participants will achieve their target bonuses when the Company's operating profit margin and revenue growth goals are achieved. In determining the amount of a bonus payment for an individual participant, the Plan provides that the participant's payment may be modified by a multiplier of between 0% and 120% based on the participant's achievement of individual performance goals. Payments under the Incentive Plan may not exceed 250% of a participant's target bonus for any applicable payout period.

If, in the event of a change of control of the Company, the Incentive Plan is not assumed or replaced with a comparable plan by the Company's successor, each participant under the Incentive Plan will receive a pro rata cash payment for their target bonus, based upon the number of calendar days completed in the current semi-annual period, multiplied by an Incentive Plan pay-out percentage of 100%.

The Committee may amend, suspend or terminate the Incentive Plan at any time prior to payment of bonuses, provided that such amendment or termination shall not adversely impair a participant's rights with respect to a semi-annual period that has already commenced.

The foregoing is a summary of the Incentive Plan and does not purport to be complete. The foregoing is qualified in its entirety by reference to the Incentive Plan, a copy of which is filed as Exhibit 10.1 to the Current Report on Form 8-K and incorporated herein by reference.

#### **2007 Executive Severance and Change of Control Plan**

On September 27, 2007, the Committee also approved a restated version of the Executive Severance and Change of Control Plan (the "2007 Severance Plan"), which the Committee originally adopted and approved on July 27, 2007.

The Committee adopted certain changes to the 2007 Severance Plan prior to the October 1, 2007 effective date so that payments pursuant to the 2007 Severance Plan would qualify for the short-term deferral exception under Internal Revenue Code Section 409A. By qualifying for the short-term deferral exception, payments under the plan should not be subject to a 20% excise tax.

A summary of the material provisions of the 2007 Severance Plan was included in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 1, 2007. This summary inadvertently stated that, in the event an Eligible Executive (as defined in the 2007 Severance Plan) is involuntarily terminated other than for cause, such Eligible Executive's base salary would continue for a period of up to 6 months (up to 12 months for the Company's Chief Executive Officer) following termination, or until the Eligible Executive accepts employment elsewhere prior to the completion of the salary continuation period. Pursuant to the 2007 Severance Plan, an Eligible Executive's base salary continues for the specified period, without regard to acceptance of employment elsewhere prior to completion of the salary continuation period. Except as set forth in this Item 5.02, the summary of the material provisions of the 2007 Severance Plan included with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 1, 2007 is unchanged, and is incorporated herein by reference.

The foregoing is a description of the 2007 Severance Plan and is qualified in its entirety by the text of the 2007 Severance Plan, as restated, which is filed as Exhibit 10.2 to this report and is incorporated herein by reference.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

10.1 2007 Management and Key Individual Contributor Incentive Plan, effective as of September 30, 2007

10.2 Executive Severance and Change in Control Plan, as restated on September 27, 2007, effective as of October 1, 2007

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**SIGNATURES**

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

*October 3, 2007*

Cirrus Logic, Inc.

*By: Thurman K. Case*

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*Name: Thurman K. Case*

*Title: Chief Financial Officer*

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Exhibit Index

Exhibit No.	Description
10.1	2007 Management and Key Individual Contributor Incentive Plan, effective as of September 30, 2007
10.2	Executive Severance and Change in Control Plan, as restated on September 27, 2007, effective as of October 1, 2007

**CIRRUS LOGIC, INC.**  
**2007 MANAGEMENT AND KEY INDIVIDUAL CONTRIBUTOR INCENTIVE PLAN**  
**Effective September 30, 2007**

**1. Purpose .**

The purposes of the Cirrus Logic, Inc. Management and Key Individual Contributor Incentive Plan (the “Incentive Plan”) are to (1) provide Participants with incentives to improve the Company’s financial performance through the achievement of semi-annual goals relating to the Company’s Operating Profit Margin and Revenue Growth, and (2) attract, retain, motivate and reward the Company’s management team and key individual contributors.

**2. Definitions .**

As used herein, the following definitions shall apply:

- (A) “ Base Salary ” means an Employee’s annual rate of base salary, exclusive of bonuses, incentive pay, commissions, and all other forms of compensation. Base Salary for a given Plan Cycle shall be calculated based on Participants’ Base Salary in effect on the last day of a Plan Cycle.
- (B) “ Board ” means the Board of Directors of Cirrus Logic, Inc.
- (C) “ Cause ” means (i) gross negligence or willful misconduct in the performance of duties to the Company after one written warning detailing the concerns and offering the Employee opportunities to cure; (ii) material and willful violation of any federal or state law; (iii) commission of any act of fraud with respect to the Company; (iv) conviction of a felony or any crime causing material harm to the standing and reputation of the Company; or (v) intentional and improper disclosure of the Company’s confidential or proprietary information.
- (D) “ Change in 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 or 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) 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.
- (E) “ Code ” means the Internal Revenue Code of 1986, as amended.
- (F) “ Committee ” means the Compensation Committee of the Board.
- (G) “ Company ” means Cirrus Logic, Inc. and its wholly owned subsidiaries and affiliates, and each of their respective successors.
- (H) “ Continuously Employed ” means the Employee’s continuous and uninterrupted full-time employment with the Company except for approved absences and other interruptions approved by the Committee or pursuant to a formal written Company policy.
- (I) “ Disability ” means total and permanent disability as defined in accordance with the Company’s Long-Term Disability Plan.
- (J) “ Effective Date ” means September 30, 2007.

- (K) “Eligible Participant” means any Employee who is in a management or leadership position in the Company or who is a key individual contributor whose efforts potentially have a material impact on the Company’s performance.
- (L) “Employee” means a natural person who is employed by the Company and who is treated as an employee by the Company for tax purposes.
- (M) “Incentive Plan Pay-Out Percentage” means the multiplier derived from the formula set forth by the Committee before a Plan Cycle for determining the pay-out percentage based on the Company’s Operating Profit Margin and Revenue Growth. The Committee shall review and update the Operating Profit Margin and Revenue Growth performance goals and the associated Incentive Plan Pay-Out Percentages applicable to a Plan Cycle prior to the commencement of such Plan Cycle.
- (N) “Individual Incentive Payment” means the amount calculated for each Participant in Section 5 for each Plan Cycle.
- (O) “Individual Performance Multiplier” means a performance multiplier of between 0% and 120% to be determined based on a Participant’s achievement of individual performance goals (“MBOs”) set for each Participant pursuant to Section 3(C).
- (P) “Operating Profit Margin” will be measured as the Company’s consolidated GAAP operating income (revenue minus cost of goods sold (COGS) minus research and development (R&D) minus selling, general and administrative (SG&A), excluding Incentive Plan and VCP accruals, if any, and any Non-Recurring Items) as a percentage of revenue. The Company’s GAAP operating income shall be determined based on the Company’s financial results as approved by the Company’s Audit Committee and filed with the Securities and Exchange Commission on a Form 10Q or Form 10K.
- (Q) “Non-Recurring Items” include any unusual or infrequent accounting items included in GAAP operating profits such as:
- (i) gains on sales of assets not otherwise included in revenue;
  - (ii) losses on sales of assets, restructuring charges, merger-related costs including amortization or impairment of acquisition-related intangible assets, asset write-offs, write-downs, and impairments whether or not included in COGS, SG&A or R&D expenses; and
  - (iii) such other items as the Committee may determine at its sole discretion.
- The Committee will determine, in its sole discretion, whether to include or exclude any or all of the above described Non-Recurring Items as part of Operating Profit Margin.
- (R) “Participant” means any Eligible Participant designated by the Committee to participate in the Incentive Plan for a Plan Cycle.
- (S) “Plan Cycle” means a period on or after the Effective Date beginning on the first day of the Company’s first fiscal quarter and ending on the last day of the Company’s second fiscal quarter, or the period beginning on the first day of the Company’s third fiscal quarter and ending on the last day of the Company’s fourth fiscal quarter.
- (T) “Revenue Growth” means the Company’s year-over-year revenue growth based on the Company’s GAAP revenue for a given Plan Cycle over the Company’s GAAP revenue for the corresponding period from the prior fiscal year. The Company’s GAAP revenue shall be determined based on the Company’s financial results as approved by the Company’s Audit Committee and filed with the Securities and Exchange Commission on a Form 10Q or Form 10K. For purposes of calculating Revenue Growth, the Committee shall exclude any non-recurring revenue as calculated by the Committee for purposes of determining the Operating Profit Margin. To

preserve the intended incentives and benefits of the Incentive Plan, the Committee may adjust the Revenue Growth calculation to reflect any material corporate transaction (such as a reorganization, combination, separation, merger, acquisition, or any combination of the foregoing), or any complete or partial liquidation of the Company (or any material portion of the Company).

- (U) “ Target Incentive Amount ” means, for each Participant, the product of (a) the Participant’s Base Salary times (b) the Participant’s Target Incentive Factor.
- (V) “ Target Incentive Factor ” means the applicable target award percentage for a Participant as set forth in Schedule A to this Incentive Plan.
- (W) “ VCP ” means the Company’s Variable Compensation Plan, or any similar plan intended to compensate Employees based on the Company’s financial performance.

### **3. Administration of the Incentive Plan .**

- (A) Administration . The Incentive Plan shall be administered by the Committee.
- (B) Powers of the Committee . Subject to the provisions of the Incentive Plan and to the specific duties, if any, delegated by the Board, the Committee shall have the authority, in its discretion, to construe and interpret the terms of the Incentive Plan, to designate the Participants in the Incentive Plan, and to make all other determinations deemed necessary or advisable for administering the Incentive Plan.
- (C) Individual Performance Multipliers . In determining an Individual Incentive Payment, the Committee may include an Individual Performance Multiplier for any Participant that reflects a Participant’s achievement of MBOs during a Plan Cycle. If included, the Committee will set the CEO’s MBOs and determine the CEO’s Individual Performance Multiplier for a Plan Cycle. For all other Participants, the CEO, or an immediate supervisor of the Participant designated by the CEO, will set the Participants MBOs and determine a Participant’s Individual Performance Multiplier for a Plan Cycle. The specific MBOs must be established while the performance relating to the MBOs remains substantially uncertain with respect to achievement of such MBOs during a Plan Cycle. MBOs may vary based on the Company’s strategic initiatives and the responsibilities of each Participant.
- (D) Effect of Committee’s Decisions . The Committee’s decisions, determinations and interpretations shall be final and binding on all Participants.

### **4. Eligibility.**

Except as set forth in Section 7 below, Participants who are not Continuously Employed by the Company during a Plan Cycle will receive a pro-rata Individual Incentive Payment based upon the number of calendar days during a Plan Cycle that the Participant was an Employee. A Participant’s Target Incentive Factor for a Plan Cycle will be based on the Target Incentive Factor for the Participant determined as of the last day of the Plan Cycle.

### **5. Determination of Payments .**

The Individual Incentive Payment to each Participant for each Plan Cycle shall be calculated by multiplying the Participant’s Target Incentive Amount by the Incentive Plan Pay-Out Percentage for that Plan Cycle. At its discretion, the Committee may further include an Individual Performance Multiplier in the determination of Individual Incentive Payments during any Plan Cycle. In no event shall any Individual Incentive Payment exceed 250% of a Participant’s Target Incentive Amount.

### **6. Payout Schedule .**

- (A) Payout Timing . Individual Incentive Payments shall be paid in a cash lump sum to each Participant as soon as is reasonably practicable after the public disclosure of the Company’s financial results through the filing of a



Form 10Q or Form 10K with the Securities and Exchange Commission for the relevant Plan Cycle; provided, however, that with respect to each Participant (or his or her estate, as applicable) who, pursuant to Section 7(A) below, is eligible to receive an Individual Incentive Payment for a given Plan Cycle without being Continuously Employed on the date such Individual Incentive Payment is paid, then:

- (i) With respect to an Individual Incentive Payment for a Plan Cycle composed of the Company's first and second fiscal quarters, such Individual Incentive Payment shall be paid on or before the 15th day of the third month following the later of (a) the last day of the calendar year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause, or (b) the last day of the Company's taxable year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause; and
- (ii) With respect to an Individual Incentive Payment for a Plan Cycle composed of the Company's third and fourth fiscal quarters, such Individual Incentive Payment shall be paid in the calendar year during which such Plan Cycle ends, but no later than on or before the 15th day of the third month following the later of (a) the last day of the calendar year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause, or (b) the last day of the Company's taxable year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause.

(B) Continuous Status. Notwithstanding anything in the Incentive Plan to the contrary, except as provided in Section 7(A) below in the case of death, Disability or termination by the Company for other than Cause, a Participant must be Continuously Employed as of the last day of a Plan Cycle and on the date the Individual Incentive Payment is paid in order to receive an Individual Incentive Payment for a given Plan Cycle. In the event a Participant's Continuous Employment with the Company terminates for any reason other than death, Disability or termination by the Company for other than Cause, any unpaid portion of the Participant's Individual Incentive Payment shall be forfeited.

(C) Withholding. Any amounts payable hereunder shall be subject to applicable tax and other payroll withholding in accordance with the Company's policies and programs and applicable law.

## **7. Miscellaneous Provisions**

(A) Terminations. In the event of a Participant's death, Disability or termination by the Company for other than Cause, the Participant or his or her estate (as applicable) will receive a pro rata Individual Incentive Payment, based upon the Company's performance during a Plan Cycle and the number of calendar days completed in the current Plan Cycle at the time of the termination.

(B) Unsecured Creditor. It is understood and agreed that the Company has only a contractual obligation to make payments of Individual Incentive Payments under this Incentive Plan and that such payments are to be satisfied out of general corporate funds that are subject to the claims of the Company's creditors.

(C) Change in Control. In the event of a Change in Control, the Incentive Plan will be assumed or comparably replaced by the Company's successor. If the successor fails or refuses to assume or comparably replace the Incentive Plan, each Participant will receive a pro rata Individual Incentive Payment, based upon the number of calendar days completed in the current Plan Cycle multiplied by an Incentive Plan Pay-Out Percentage of 1.0. Any such payment shall be a lump sum cash payment made within ten (10) days of a Change in Control; provided, however, that with respect to each Participant (or his or her estate, as applicable) who, pursuant to Section 7(A) above, is eligible to receive an Individual Incentive Payment for a given Plan Cycle without being Continuously Employed on the date such Individual Incentive Payment is paid, such Individual Incentive Payment shall be paid on or before the 15th day of the third month following the later of (a) the last day of the calendar year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause, or (b) the last day of the Company's taxable year in which such Participant died, incurred a Disability, or was terminated by the Company for other than Cause.

(D) Reclassification. In the event that an Employee who is a Participant is reclassified or demoted (for reasons

other than Cause) to a position which would not then qualify such individual as a Participant, the Employee will nevertheless remain eligible to participate in the current Plan Cycle, provided that he or she remains in Continuous Employment. The Employee shall be ineligible, however, to participate in any new Plan Cycle, unless the Committee determines otherwise in its sole discretion.

(E) Section 409A of the Code . Each Individual Incentive Payment under this Incentive Plan is intended to be exempt from Section 409A of the Code pursuant to the exception for short-term deferrals (within the meaning of the Treasury regulations issued under Section 409A of the Code), and the Incentive Plan shall be construed and interpreted in accordance with such intent to the maximum extent permitted by law.

(F) Right to Offset . To the extent permitted by law, the Company shall have the right to offset against its obligation to deliver amounts under any Individual Incentive Payment any outstanding amounts of whatever nature that the Participant then owes to the Company.

## **8. Limitations .**

Neither the Incentive Plan nor any Individual Incentive Payment shall confer upon a Participant any right with respect to continuing the Participant's employment relationship with the Company, nor shall it interfere in any way with the Participant's right or the Company's right to terminate such employment at any time, with or without Cause.

## **9. Amendment and Termination .**

The Committee shall have the power to amend, suspend or terminate the Incentive Plan at any time, provided that no such amendment or termination shall adversely impair a Participant's rights with respect to any Plan Cycle that has already commenced.

## **10. Governing Law .**

The Program shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware.

## **11. No Right of Assignment .**

No Participant shall have any right to assign, alienate, or otherwise transfer his or her rights, if any, under the Incentive Plan. Any purported assignment, alienation or transfer by a Participant of his or her rights under the Incentive Plan shall be null and void *ab initio* and of no force or effect.

### **Schedule A**

#### **TARGET INCENTIVE FACTORS FOR EACH PLAN CYCLE**

<b>Level</b>	<b>Target Incentive Factor</b>
<b>CEO</b>	<b>37.5%</b>
<b>Direct Reports to the CEO</b>	<b>25%</b>
<b>Other Management and Key Individual Contributors*</b>	<b>5 - 25%</b>

\*The Target Incentive Factors for Participants other than the CEO and the CEO's direct reports will be set by the CEO or an immediate supervisor of the Participant designated by the CEO.

# CIRRUS LOGIC, INC.

## EXECUTIVE SEVERANCE AND CHANGE OF CONTROL PLAN

### 1. Introduction.

This Cirrus Logic, Inc. (the “Company”) Executive Severance and Change of Control Plan (the “Plan”) shall be effective as of October 1, 2007.

(a) Purpose. The purpose of the Plan is to describe eligibility for certain benefits by those 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”) whose employment is terminated other than for Cause, or as a result of, or following, a Change of Control (as defined below). The Plan is intended to be maintained on an unfunded basis. No participant shall have any right to, or interest in, any assets of the Company that may be applied by the Company to the payment of benefits under the Plan.

(b) Effect. This Plan supersedes and replaces any prior policies or practices of the Company or any of its subsidiaries or affiliated companies that relate to severance payments or vesting acceleration with respect to options of the Company with respect to Eligible Executives. Any such policies or procedures, to the extent they relate to severance payments or vesting acceleration with respect to options of the Company, are hereby rescinded and shall no longer have any force or effect to the extent such policies or procedures apply to Eligible Executives. Notwithstanding the foregoing, this Plan is subordinated to any individual written (i) severance benefit agreement, (ii) change of control severance agreement, or (iii) employment agreement that provides for severance benefits in existence as of the date hereof between any Eligible Executive and the Company.

### 2. Definition of Terms. The following capitalized terms used in this Plan shall have the following meanings:

(a) Cause. “Cause” shall mean (i) gross negligence or willful misconduct in the performance of an Eligible Executive’s duties to Company; (ii) a material and willful violation of any federal or state law by an Eligible Executive that if made public would injure the business or reputation of Company; (iii) refusal or willful failure by an Eligible Executive to comply with any specific lawful direction or order of Company or the material policies and procedures of 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) conviction (including a plea of nolo contendere) of an Eligible Executive of a felony, or of a misdemeanor that would have a material adverse effect on the Company’s goodwill if such Eligible Executive were to be retained as an employee of the Company; or (v) substantial and continuing willful refusal by an Eligible Executive to perform duties ordinarily performed by an employee in the same position and having similar duties as such Eligible Executive; in each case as reasonably determined by the Board of Directors of Company or the successor to the Company (the “Board of Directors”).

(b) Change of Control. “Change of Control” shall mean 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 fifty percent (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 fifty percent (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 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 immediately prior to such reverse merger do not retain immediately after such reverse merger direct or indirect beneficial ownership of securities representing more than fifty percent (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).

(c) Disability. "Disability" shall mean a mental or physical disability, illness or injury, evidenced by medical reports from a duly qualified medical practitioner, which renders an Eligible Executive unable to perform any one or more of the essential duties of his or her position after the provision of reasonable accommodation, if applicable, for a period of greater than ninety (90) days within a one year period. "Disabled" has a corresponding meaning.

(d) Good Reason. "Good Reason" shall mean an Eligible Executive's resignation from Company within thirty (30) days following the Company's failure to cure the occurrence of any of the following events with respect to such Eligible Executive:

(i) without Eligible Executive's express written consent, the material reduction of Eligible Executive's duties, authority, or responsibilities relative to Eligible Executive's duties, authority, or responsibilities as in effect immediately prior to such reduction, or the assignment to Eligible Executive of such reduced duties, authority, or responsibilities; however, the occurrence of a Change of Control shall not, in and of itself, constitute a material adverse change in Eligible Executive's duties, authority, or responsibilities;

(ii) a material reduction by Company in the base salary of Eligible Executive as in effect immediately prior to such reduction; or

(iii) the relocation of Eligible Executive's principal work location to a facility or a location more than fifty (50) miles from Eligible Executive's then present principal work location, without Eligible Executive's express written consent.

Notwithstanding the foregoing, "Good Reason" shall not exist unless the Eligible Executive provides to the Chief Executive Officer (or to the Board of Directors if the Eligible Executive is the Chief Executive Officer) written notice of the circumstances constituting "Good Reason" within 30 business days of the happening of the applicable event and the Company fails to cure such circumstances within 30 days from the date such notice is received.

(e) Termination Date. "Termination Date" shall mean:

(i) if an Eligible Executive's employment is terminated by Company for Disability, the date designated by Company as the last day of such Eligible Executive's employment;

(ii) if an Eligible Executive dies, the date of death;

(iii) if an Eligible Executive's employment is terminated by Company for any other reason, the date designated by Company as the last day of such Eligible Executive's employment; or

(iv) if an Eligible Executive's employment is terminated by such Eligible Executive, the date designated by Company as the effective date of resignation.

3. Eligibility for Severance and Other Benefits. Eligible Executives will receive the benefits described herein under the following circumstances:

(a) Termination in Connection with a Change of Control. If an Eligible Executive's employment terminates either by Company without Cause or by such Eligible Executive for Good Reason at any time during the period commencing upon a Change of Control and ending twelve (12) months following a Change of Control, then,

conditioned upon the Eligible Executive's execution and delivery of an effective release of claims against Company and related parties that releases Company and such parties from any claims whatsoever arising from or related to the Eligible Executive's employment relationship with Company including the termination of that relationship in a form reasonably acceptable to the Company, the Eligible Executive will receive the following:

(i) Eligible Executive's right, title and entitlement to any unvested stock options or any other securities or similar incentives that have been granted or issued to Eligible Executive as of the Termination Date, shall automatically be accelerated in full so as to become immediately and completely vested. Eligible Executive shall have six months from the Termination Date to exercise any options; provided, however, that in no event shall any option be exercisable after the option's original expiration date (determined by assuming continued employment) or after the tenth anniversary of the original date of grant of the option. In all other respects, Eligible Executive's options and any other securities or similar incentives shall continue to be subject to the terms of the applicable equity incentive plan notice of grant and grant agreement.

(ii) a lump sum cash payment equal to twelve (12) months' salary at the Eligible Executive's base salary rate as of the Termination Date (without taking into account any reduction in base salary that could trigger Eligible Executive's resignation for Good Reason), less applicable withholding taxes or other withholding obligations of Company and less any amounts to which Eligible Executive is otherwise entitled under any statutory or Company long or short term disability plan; and

(iii) if Eligible Executive elects benefits continuation under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") following termination of employment, a lump sum cash payment equal to a reasonable estimate of the full cost of such benefits (either directly to Eligible Executive or to the appropriate carrier or administrator at the Company's election) for twelve (12) months.

The payments described above in Paragraphs (ii) and (iii) of this Section 3(a) shall be paid on or before the 15th day of the third month following the later of (A) the last day of the calendar year in which the Eligible Executive's employment is terminated, or (B) the last day of the Company's taxable year in which the Eligible Executive's employment is terminated.

(b) Termination Other Than for Cause or in Connection with a Change of Control . If an Eligible Executive's employment terminates without Cause (other than in connection with a Change of Control), then, conditioned upon the Eligible Executive's execution and delivery of an effective release of claims against Company and related parties that releases Company and such parties from any claims whatsoever arising from or related to the Eligible Executive's employment relationship with Company including the termination of that relationship in a form reasonably acceptable to the Company, the Eligible Executive will receive the following:

(i) salary continuation for up to six (6) months' salary (in the case of the Chief Executive Officer, twelve (12) months' salary) at the Eligible Executive's base salary rate as of the Termination Date, payable in cash installments at each regular payroll period of the Company (except as otherwise provided below), less applicable withholding taxes or other withholding obligations of Company and less any amounts to which Eligible Executive is otherwise entitled under any statutory or Company long or short term disability plan; and

(ii) if Eligible Executive elects benefits continuation under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") following termination of employment, a lump sum cash payment equal to a reasonable estimate of the full cost of such benefits (either directly to Eligible Executive or to the appropriate carrier or administrator at the Company's election) for three (3) months.

The payments described above in Paragraphs (i) and (ii) of this Section 3(b) shall be paid on or before the 15th day of the third month following the later of (A) the last day of the calendar year in which the Eligible Executive's employment is terminated, or (B) the last day of the Company's taxable year in which the Eligible Executive's employment is terminated (the "Short-Term Deferral Date"). Notwithstanding any provision of the Plan to the contrary, in no event will the salary continuation payments described above in Paragraph (i) of this Section 3(b) be made after the Short-Term Deferral Date, and any such amounts that would otherwise be payable after the Short-Term Deferral Date shall instead be paid in a cash lump sum payment on or before the Short-Term Deferral Date.

(c) Voluntary Resignation; Termination for Cause . If an Eligible Executive's employment terminates by reason of voluntary resignation, or if an Eligible Executive is terminated for Cause, then such Eligible Executive shall not be entitled to receive any benefits under Sections 3(a) and 3(b) of this Plan.

(d) Disability . If an Eligible Executive suffers from a Disability, Company may terminate such Eligible Executive's employment to the extent permitted by law and the Company will then pay to the Eligible Executive the compensation set forth in Section 3(b) of this Plan. If such termination occurs within twelve (12) months following a Change of Control, Company will then pay to that Eligible Executive the compensation set forth in Section 3(a) of this Plan.

(e) Death . If an Eligible Executive's employment is terminated due to the death of such Eligible Executive, the Company will pay the compensation set forth in Section 3(b) to the former Eligible Executive's estate. If an Eligible Executive's employment is terminated due to the death of such Eligible Executive within twelve (12) months following a Change of Control, then the compensation set forth in Section 3(a) of this Plan will be paid to the former Eligible Executive's estate.

(f) Application of Section 409A . Each payment or benefit provided under this Plan is intended to be exempt from Section 409A of the Code ("Section 409A") pursuant to the exception for short-term deferrals (within the meaning of the Treasury regulations issued under Section 409A), and the Plan shall be construed and interpreted in accordance with such intent to the maximum extent permitted by law. Notwithstanding the foregoing and any inconsistent provision of this Plan, to the extent that (i) one or more of the payments or benefits received or to be received by an Eligible Executive pursuant to this Plan in connection with such Eligible Executive's termination of employment would constitute deferred compensation subject to the rules of Section 409A, and (ii) the Eligible Executive is a "specified employee" under Section 409A, then only to the extent required to comply with Section 409A to avoid the Eligible Executive's incurrence of any additional tax or interest under Section 409A, such payment or benefit will be delayed until the date which is six (6) months after the Eligible Executive's "separation from service" within the meaning of Section 409A (or, if earlier, the Eligible Executive's date of death).

(g) Coordination with Other Change of Control Benefits, Severance Benefits or Debts . If an Eligible Executive is entitled to cash payments, accelerated vesting of stock options or restricted stock grants, or any other benefits from Company following the termination of such Eligible Executive's employment under any other agreement, plan, policy or law, then the benefits received by that Eligible Executive under this Plan shall be reduced by the benefits received by Eligible Executive from Company under such other plans, programs, arrangements, agreements or requirements. If an Eligible Executive is indebted to Company at the time of a termination that would give rise to severance benefits under Sections 3(a) or 3(b), the Company reserves the right to offset such severance payment under the Plan by the amount of such indebtedness.

4. At-Will Employment . Each Eligible Executive's employment is and shall continue to be at-will, as defined under applicable law. If an Eligible Executive's employment terminates for any reason other than as specified in Section 3, such Eligible Executive shall not be entitled to any benefits, damages, awards or compensation under this Plan.

5. Tax Matters . The Company may withhold from any amounts payable under the Plan such federal, state and local taxes as may be required to be withheld. In the event that any payment or other benefits provided for in this Plan or otherwise payable to an Eligible Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) become subject to the excise tax imposed by Section 4999 of the Code (or any corresponding provisions of state tax law), then, notwithstanding the other provisions of this Plan, such Eligible Executive's benefits under Section 3 will not exceed the amount which produces the greatest after-tax benefit to the Eligible Executive. For purposes of the foregoing, the greatest after-tax benefit will be determined within thirty (30) days after the Termination Date, by the Eligible Executive in his/her sole discretion. If no such determination is made by the Eligible Executive within thirty (30) days of the Termination Date, then the Company will pay the benefits as provided in Section 3.

6. Company's Successors . The Company shall require that any successor to Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of Company's business and/or assets agree to perform in accordance with this Plan in the same manner and to the same extent as

Company would be required to perform such obligations in the absence of a succession.

7. Exclusive Benefits. Eligible Executives shall not be entitled to any payments, compensation, benefits or other consideration from the Company, apart from those identified in Section 3, on account of a termination.

8. Severability, Enforcement. If any provision of this Plan, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Plan and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

9. General.

(a) Notice. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given either (i) when personally delivered or sent by facsimile or (ii) five (5) days after being mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of an Eligible Executive, mailed notices shall be addressed to him or her at the home address or facsimile number which he or she most recently communicated to Company in writing. In the case of Company, mailed notices or notices sent by facsimile shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its General Counsel or Chief Financial Officer.

(b) Amendment. The Company reserves the right to amend or terminate this Plan upon written notice to Eligible Executives. Upon a Change of Control, this Plan will become non-modifiable without the consent of the affected Eligible Executive(s). Notwithstanding the foregoing, no Plan amendment that reduces any benefit payable under this Plan, and no Plan termination or suspension shall be effective for a period beginning one year prior to a Change of Control and ending one year after a Change of Control. In addition, no Eligible Executive may be removed as a participant during such period with respect to any benefit payable with respect to that Change of Control.

(c) Governing Law. The Plan shall be construed, administered, and enforced according to the laws of the State of Texas, except to the extent such laws are preempted by the federal laws of the United States of America.

10. Execution. To record the adoption of the Plan as set forth herein, effective as of October 1, 2007, Cirrus Logic, Inc. has caused its duly authorized officer to execute the same.

Cirrus Logic, Inc.

By: /s/ Gregory S. Thomas  
Name: Gregory S. Thomas  
Title: Vice President, General Counsel