

**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): December 15, 2020

Analog Devices, Inc.
(Exact name of Registrant as Specified in its Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

1-7819
(Commission
File Number)

04-2348234
(IRS Employer
Identification No.)

One Analog Way, Wilmington, MA
(Address of Principal Executive Offices)

01887
(Zip Code)

Registrant's telephone number, including area code: (781) 329-4700

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock \$0.16 2/3 par value per share	ADI	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 15, 2020, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Analog Devices, Inc. (the “Company”) approved: (a) the grant of a special performance stock option award to Vincent Roche, the Company’s Chief Executive Officer, exercisable for up to 460,000 shares of the Company’s common stock (the “Target Shares”), at an exercise price of \$144.06 (the “CEO Performance Stock Option Award”), and (b) the grant of performance restricted stock units (the “Maxim Integration PRSUs”) to a select group of key employees, including the following executive officers (the “Officers”): 19,443 Maxim Integration PRSUs for Prashanth Mahendra-Rajah, Senior Vice President, Finance and Chief Financial Officer, 13,460 Maxim Integration PRSUs for John Hassett, Senior Vice President, Industrial and Consumer, and 13,460 Maxim Integration PRSUs for Martin Cotter, Senior Vice President, Worldwide Sales and Digital Marketing.

The Committee designed these two award types in consultation with Pearl Meyer, the Committee’s independent compensation consultant, with the following specific objectives in mind. First, to maintain a long-term focus on business transformation and sustained exceptional value creation, while integrating Maxim Integrated Products, Inc. (“Maxim”). Second, to reward and incentivize the timely, successful integration of Maxim and resulting accretive value created for shareholders. Lastly, to structure the awards to align with shareholder interests, be significantly at risk, and have a strong performance basis.

CEO Performance Stock Option Award

Since Mr. Roche’s tenure as CEO began in 2013, the Company’s total shareholder returns have increased 284% (vs. S&P500 of 168%, or 1.7x S&P500 over that time), and the Company’s market capitalization has increased by \$40 billion. The CEO Performance Stock Option Award was granted to provide Mr. Roche with a strong incentive to create sustained exceptional growth in the Company and its stock price. The award carries a long-term performance period and rigorous stock price hurdles.

Before granting the CEO Performance Stock Option Award, the Committee considered the following factors:

- the key role that Mr. Roche has played in leading and transforming the Company since he became CEO in 2013;
- the rapid changes and consolidation taking place within the semi-conductor industry and the constant need to transform and grow within this highly competitive environment;
- Mr. Roche’s unique depth of understanding of the Company, strength of leadership capability and vision to drive the long-term corporate strategy and continued success of the Company; and
- the importance of continuing to motivate and reward continued exceptional shareholder value creation over an extended timeframe and ensure the alignment of interests with the Company’s shareholders.

The CEO Performance Stock Option Award was granted to Mr. Roche on December 15, 2020 (the “Grant Date”) under the terms of the Company’s 2020 Equity Incentive Plan (the “Plan”).

The CEO Performance Stock Option Award was granted in addition to Mr. Roche’s annual equity awards for the fiscal year ending October 30, 2021 (“fiscal 2021”) and vests subject to the satisfaction of certain challenging target price thresholds during a five-year period, measured on the basis of the average of the closing prices of the Company’s common stock over 70 consecutive trading days. 153,333, 153,333 and 153,334 will become exercisable if the target price thresholds of \$180, \$200 or \$220 per share, respectively, are attained at any time during a five-year period from the Grant Date to December 15, 2025. A given target price threshold will be met, and the shares underlying the CEO Performance Stock Option Award that are associated with such threshold will become exercisable, when the Company’s average closing share price over 70 consecutive trading days is equal to or exceeds the threshold. If a threshold is attained, the earned number of shares will become exercisable one year after the attainment date, or if earlier, on December 15, 2025, in each case provided that Mr. Roche continues to serve as CEO (or in a substantially similar role, as determined by the Board) on the applicable vesting date. There is no linear interpolation between target price thresholds and a threshold may be met only once. The maximum number of shares underlying the CEO Performance Stock Option Award that may become exercisable is 460,000.

To determine meaningful but challenging target price thresholds, the Committee established a baseline stock price of \$122.72, which was calculated as the 70-trading day average closing stock price on November 30, 2020. The target price thresholds were chosen to reward significant growth from the Company’s baseline stock price.

% of Target Shares that may be earned	Target Price Threshold Average closing price over 70 consecutive trading days	Share price % increase vs 70 trading day average on 11/30/2020 (\$122.72)
33%	\$180.00	47%
66%	\$200.00	63%
100%	\$220.00	79%

The Committee specifically determined to issue the CEO Performance Stock Option Award in the form of stock options such that Mr. Roche will only realize value from the award if significant increases in the Company's stock price are sustained, thereby closely aligning with shareholder interests.

The foregoing summary of the terms of the CEO Performance Stock Option Award is qualified in its entirety by reference to the Non-Qualified Performance Stock Option Agreement – CEO Performance Stock Option Award, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Maxim Integration PRSUs

The Maxim Integration PRSUs were granted to a select group of key employees, including the Officers but excluding the CEO, on December 15, 2020 under the terms of the Plan. The Maxim Integration PRSUs were granted to promote the successful integration of Maxim and achievement of the Company's synergy goals, and the recipients are key decision makers who have a responsibility to drive integration and cost synergy. These awards were granted in addition to the recipients' annual equity awards for fiscal 2021.

The number of Maxim Integration PRSUs that may be earned will range from 0 to a maximum of 200% of the target amount of Maxim Integration PRSUs (the "Target Amount") and will be determined according to the achievement of (i) a profitability gatekeeping threshold, (ii) cost synergy performance goals and (iii) an additional incentive for speed of delivery. Any shares earned will vest on the 60th day (the "Vesting Date") following the period from December 15, 2020 until the two-year anniversary of the closing of the Maxim acquisition (the "Performance Period"). A number of Maxim Integration PRSUs ranging from 0 to 150% of the Target Amount will vest based on linear interpolation of the achievement of minimum, target and maximum thresholds of gross dollar amount of cost synergies following the closing date of the Maxim acquisition (the "Acquisition Date") that take effect within the Performance Period or will take effect within the 12-month period immediately following the Performance Period as a result of a firm commitment made during the Performance Period (the "Synergy Performance Goal"). If the Maxim acquisition does not close, the awards will be cancelled. As an added incentive for a timely and successful integration, an additional number of Maxim Integration PRSUs equal to 50% of the Target Amount will also vest on the Vesting Date if the minimum Synergy Performance Goal is fully realized within 18 months following the Acquisition Date. Additionally, as a gatekeeping measure for any Maxim Integration PRSUs to vest, the combined company must maintain a minimum average non-GAAP operating profit before taxes for the last four fiscal quarters completed as of the end of the Performance Period as a percentage of revenue ("OPBT margin"). If the minimum average OPBT margin requirement is not met, then no Maxim Integration PRSUs will vest. The recipient must be employed on the Vesting Date in order for any of the Maxim Integration PRSUs to vest.

The foregoing summary of the terms of the Maxim Integration PRSUs is qualified in its entirety by reference to the form of Performance Restricted Stock Unit Agreement – Integration Award, a copy of which is attached as Exhibit 10.2 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Non-Qualified Performance Stock Option Agreement – CEO Performance Stock Option Award
10.2	Form of Performance Restricted Stock Unit Agreement – Integration Award
101.INS	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Schema Document.**
101.CAL	Inline XBRL Calculation Linkbase Document.**
101.LAB	Inline XBRL Labels Linkbase Document.**
101.PRE	Inline XBRL Presentation Linkbase Document.**
101.DEF	Inline XBRL Definition Linkbase Document.**
104	Cover page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

** Submitted electronically herewith.

SIGNATURE

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.

Date: December 17, 2020

ANALOG DEVICES, INC.

By: /s/ Margaret Seif
Margaret Seif
Chief People Officer and Chief Legal Officer



**2020 EQUITY INCENTIVE PLAN
NON-QUALIFIED PERFORMANCE STOCK OPTION AGREEMENT
Private & Confidential (Addressee Only)**

Vincent Roche
Employee ID
Grant ID: Client Grant ID

We are pleased to advise the Optionee (the "Optionee") that Analog Devices, Inc., a Massachusetts corporation (the "Company"), has granted to the Optionee an option to purchase that number of shares of Common Stock set forth below (the "Option") subject to the terms and conditions of the Analog Devices, Inc. 2020 Equity Incentive Plan (the "Plan") and this Non-Qualified Performance Stock Option Agreement, including Appendix A, which includes additional performance-based vesting conditions. This Non-Qualified Performance Stock Option Agreement, together with Appendix A, is referred to as the "Agreement." The grant of this Option reflects the Company's confidence in the Optionee's commitment and contributions to the success and continued growth of the Company.

All terms not defined herein shall have the meanings assigned to such terms in the Plan.

1. Grant of Option. Subject to the terms and conditions of the Plan and this Agreement, the Company has granted to the Optionee an Option to purchase that number of shares of Common Stock (the "Option Shares") effective on the Date of Grant set forth below:

Date of Grant:	December 15, 2020
Number of Option Shares Granted:	460,000
Option Exercise Price Per Share:	\$ 144.06

2. Vesting of Option. Subject to the Optionee's continued service to the Company as the Chief Executive Officer (the "CEO") or a substantially similar position (as determined by the Board in its sole discretion), and the performance-based vesting conditions set forth in Appendix A, the Option will vest as to the number of shares and at the dates set forth in Appendix A.

The right of exercise is cumulative, so that an Option, once vested, may be exercised, in whole or in part, at any time up to December 15, 2030, the expiration date, or such earlier date as provided in Section 3 below.

3. Term of Option; Termination of Service as CEO.

- (a) The term of the Option is ten (10) years after the Date of Grant.
- (b) The vesting of the Option shall terminate on the date the Optionee's service to the Company as CEO or a substantially similar position (as determined by the Board in its sole discretion) terminates for any reason, but any portion of the Option that is vested on the date of such termination shall continue to be exercisable for a period of three (3) months following such termination date. Notwithstanding the foregoing, if the vesting of the Option terminates after the Optionee has reached age 60, any portion of the Option that is vested on the date of such termination shall continue to be exercisable over the remaining term of the Option; provided that all then-exercisable Options held by the Optionee shall immediately cease to be exercisable in the event that the Optionee becomes an employee of any competitor of the Company (as determined in the sole discretion of the Company).
- (c) The Option shall terminate on the date the Optionee's service to the Company is terminated by the Company for "Cause", and all Option Shares that are then vested shall forthwith cease to be exercisable. "Cause" for this purpose means unsatisfactory job performance (as determined by the Board), willful misconduct, fraud, gross negligence, disobedience or dishonesty, or as otherwise determined under applicable law.
- (d) Notwithstanding Section 2 or Section 3(b) above, upon the death of the Optionee while serving as the CEO of the Company or in a substantially similar position (as determined by the Board in its sole discretion), the Option shall vest to the extent the performance-based vesting conditions set forth in Appendix A have been attained by the 70th consecutive trading day after the date of death. If the Option or any portion thereof vests pursuant to this Section 3(d), such Option shall continue to be exercisable (by the Optionee's successor in interest) over the remaining term of the Option. Any portion of the Option which does not become vested pursuant to this Section 3(d) shall be forfeited.
- (e) Notwithstanding Section 2 or Section 3(b) above, if the Optionee becomes Disabled, regardless of whether Optionee's service to the Company is terminated, the Option shall vest to the extent the performance-based vesting conditions set forth in Appendix A have been attained by the 70th consecutive trading day after the date the Optionee becomes Disabled. If the Option or any portion thereof vests pursuant to this Section 3(e), such Option shall continue to be exercisable over the remaining term of the Option. Any portion of the Option which does not become vested pursuant to this Section 3(e) shall be forfeited. "Disabled" with respect to the Optionee means, when and if, as a result of disease, injury or mental disorder, the Optionee is incapable of engaging in regular service or occupation with the Company or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.

- (f) Notwithstanding Section 2, Section 3(b), Section 3(d) or Section 3(e) above, upon a Change in Control Event, the Option or a portion thereof shall become immediately vested on the date of the Change in Control Event to the extent the performance-based vesting conditions set forth in Appendix A have been attained of the date of the Change in Control Event. If the Option or any portion thereof vests pursuant to this Section 3(f), such portion of the Option shall continue to be exercisable over the remaining term of the Option or such shorter period as may be determined by the Board in connection with the Change in Control Event. Any portion of the Option which does not become vested pursuant to this Section 3(f) shall be forfeited. For the avoidance of doubt, in the event that a Change in Control Event occurs during the period of 70 consecutive trading days following the date the Optionee dies or becomes Disabled, this Section 3(f) supersedes Sections 3(d) and 3(e) above.
4. Payment of Exercise Price. The following payment methods may be used to purchase Option Shares:
- (a) A cashless exercise in a manner described in Section 5(f)(2) of the Plan.
 - (b) Cash or check payable to the Company.
 - (c) Delivery by the Optionee of shares of Common Stock (by actual delivery or attestation) in accordance with Section 5(f)(3) of the Plan.
 - (d) Any combination of the above methods.
5. Non-Transferability of Option. Except in the event of death (whether by beneficiary designation or by will or the laws of descent and distribution) or as permitted by the Plan, this Option is personal and no rights granted hereunder shall be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise), nor shall any such rights be subject to execution, attachment or similar process.
6. Adjustment. In the event of any stock split, reverse stock split, or other event describe in section 10(a) of the Plan that affects the Option Shares, each Target Price Threshold shall be equitably adjusted by the Company in the manner determined by the Board. In addition, this Option is subject to adjustment (including with respect to vesting of the Option Shares) upon certain changes in the Common Stock and certain other events, including a Change in Control Event or a Reorganization Event, as provided in Section 10 of the Plan.
7. Withholding Taxes. Regardless of any action the Company takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Optionee's participation in the Plan and legally applicable to the Optionee ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount, if any, actually withheld by the Company. The Optionee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Option Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) does not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee has become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Optionee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- Prior to the relevant taxable or tax withholding event, as applicable, the Optionee will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company, or its agents, at their discretion, to satisfy the obligations, if any, with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from any cash compensation payable to the Optionee by the Company; or (ii) withholding from proceeds of the sale of Option Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization). The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates in the Optionee's jurisdiction(s), including maximum applicable rates. If the Company withholds more than the amount necessary to satisfy the liability for Tax-Related Items, the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in shares of Common Stock. No fractional Option Shares will be issued pursuant to the grant of the Option and the issuance of Option Shares hereunder.
- Finally, the Optionee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of Option Shares, if the Optionee fails to comply with the Optionee's obligations in connection with the Tax-Related Items.
8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or the Optionee's acquisition or sale of the underlying Option Shares. The Optionee is encouraged to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Optionee and his or her respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 5 of this Agreement.

10. **Notice.** Each notice relating to this Award shall be in writing (which shall include electronic form) and delivered in person, electronically or by first class mail, postage prepaid, to the address as hereinafter provided. Each notice shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its offices at Analog Devices, Inc., One Analog Way, Wilmington, Massachusetts, 01887 U.S.A., Attention: Stock Plan Administrator. Each notice to the Optionee shall be addressed to the Optionee at the Optionee's last known mailing or email address, as applicable, on the records of the Company.
11. **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.
12. **Entire Agreement.** This Agreement and the Plan constitute the entire understanding between the parties, and supersede all prior agreements and understandings, relating to the subject matter of these documents.
13. **Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to any applicable conflicts of laws.
14. **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Option Shares, the Company shall not be required to deliver any shares issuable upon exercise of the Option prior to the completion of any registration or qualification of the Option Shares under any U.S. federal or state securities law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. federal or state governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify the Option Shares with the SEC or any state securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Option Shares. The Optionee also understands and agrees that the Awards granted under the Plan, including the Options and the underlying Option Shares, are subject to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any SEC regulations, as now or hereafter in effect. Further, the Optionee agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of Option Shares.
15. **Interpretation.** The interpretation and construction of any terms or conditions of this Agreement or the Plan, or other matters related to the Plan, by the Compensation Committee of the Board shall be final and conclusive.
16. **Optionee's Acceptance.** The Optionee is urged to read this Agreement carefully and to consult with his or her own legal counsel regarding the terms and consequences of this Agreement and the legal and binding effect of this Agreement. By virtue of his or her acceptance of this Option, the Optionee is deemed to have accepted and agreed to all of the terms and conditions of this Agreement and the provisions of the Plan.
17. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
18. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
19. **Additional Requirements.** The Company reserves the right to impose other requirements on the Option and the Option Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
20. **Insider Trading Restrictions/Market Abuse Laws.** The Optionee acknowledges that the Optionee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Optionee's ability to accept, acquire, sell, or otherwise dispose of Common Stock, rights to Common Stock (e.g., Options) or rights linked to the value of Common Stock (e.g., phantom awards, futures) during such times as Optionee is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the Optionee's country). Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or otherwise causing them to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Optionee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Optionee should speak to his or her personal advisor on this matter.
21. **Waiver.** The Optionee acknowledges that a waiver by the Company or breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee.

A copy of the Plan prospectus is available on the Company's Intranet at <https://thecircuit.web.analog.com/Pages/CircuitHome.aspx>. (From The Circuit home page, click Knowledge Centers, HR, Employee Stock Programs. The related documents can be found in the right-hand column.) If the Optionee is unable to access this information via the Intranet, the Company's Stock Plan Administrator can provide the Optionee with copies (Stock_Plan_Admin@Analog.com).

/s/ Ray Stata

Ray Stata

Chairman of the Board

APPENDIX A TO

2020 EQUITY INCENTIVE PLAN

NON-QUALIFIED PERFORMANCE STOCK OPTION AGREEMENT

VALUE CREATION AWARD

1. **Performance Period.** The five-year period following the Date of Grant (the “Performance Period”).
2. **Vesting Schedule.** If, at any time during the Performance Period, an Attainment Date occurs, a portion of the Option equal to the applicable Payout Percentage (as set forth in Section 3) will vest and become exercisable on the first anniversary of the Attainment Date, or if earlier, on the last day of the Performance Period.
3. **Performance-Based Vesting Conditions.** The vesting of the Option is contingent upon the attainment of the Target Price Thresholds set forth in the table below. A Target Price Threshold is attained when the price of a share of Common Stock is equal to or exceeds the applicable Target Price Threshold set forth in the table below for the duration of the Attainment Date Period. For purposes of the foregoing:
 - an “**Attainment Date**” shall occur on the first date during the Performance Period when the average closing trading price of a share of Common Stock on the Nasdaq Stock Market over 70 consecutive trading days up to and including such date (the “Attainment Date Period”) equals or exceeds the applicable Target Price Threshold set forth in the table below.

<u>Payout Percentage</u>	<u>Target Price Threshold</u>
0.33 x the Number of Option Shares Granted	US \$180 per share
0.66 x the Number of Option Shares Granted	US \$200 per share
1.0 x the Number of Option Shares Granted	US \$220 per share

Each Target Price Threshold set forth in the table above is a binary threshold. The Payout Percentage corresponding to a Target Price Threshold for which an Attainment Date is reached shall not be calculated based on linear interpolation. Each Target Price Threshold and corresponding Payout Percentage may be achieved only once. For the avoidance of doubt, the maximum payout of this award will not exceed 1.0 x of the Number of Option Shares Granted.

4. **Forfeiture of the Option.** To the extent that a Target Price Threshold with respect to a Payout Percentage of the Option does not occur during the Performance Period, the portion of the Option for which such Target Price Threshold was not attained shall be cancelled by the Company and forfeited by the Optionee on the calendar day following the end of the Performance Period. For avoidance of doubt, if the minimum Target Price Threshold is not attained during the Performance Period, the Option will be cancelled in its entirety by the Company and forfeited by the Optionee on the calendar day following the end of the Performance Period.
5. **Rounding.** To the extent that the attainment of a Target Price Threshold results in a fractional portion of the Option becoming vested, such fractional portion of the Option will be rounded down to the next whole number, and the Optionee will have no right to such fractional portion of the Option or any payment in lieu of such fractional portion of the Option.



**AMENDED AND RESTATED 2020 EQUITY INCENTIVE PLAN
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT
INTEGRATION AWARD**

Private & Confidential (Addressee Only)

Employee: XXXX
Employee ID: XXX

We are pleased to advise you (the "Participant") that Analog Devices, Inc., a Massachusetts corporation (the "Company"), has granted to the Participant that number of Performance Restricted Stock Units ("Performance RSUs") set forth below, subject to the terms and conditions of the Analog Devices, Inc. 2020 Equity Incentive Plan (the "Plan") and this Performance Restricted Stock Unit Agreement, including Appendix A, which includes additional performance-based vesting conditions, and Appendix B, which includes any applicable country-specific provisions. This Performance Restricted Stock Unit Agreement, together with Appendix A and Appendix B, is referred to as the "Agreement." The grant of Performance RSUs reflects the Company's confidence in the Participant's commitment and contributions to the success and continued growth of the Company. All terms not defined in this Agreement shall have the meaning set forth in the Plan.

1. Performance Restricted Stock Unit.

Subject to the terms and conditions of the Plan and this Agreement, the Company has granted to the Participant that number of Performance RSUs (the "Award") effective on the Date of Grant set forth below:

Date of Grant:	[insert date]
Number of Performance RSUs ("Initial Grant Number"):	
Vesting Date:	The 60th day following the end of the Performance Period

Each one (1) Performance RSU shall, if and when it vests in accordance with this Agreement, automatically convert into one (1) share of Common Stock issuable as provided below. The Performance RSUs are subject to the vesting provisions set forth in Section 2 (including any performance-based vesting conditions set forth in Appendix A), the restrictions on transfer set forth in Section 3, and the right of the Company to retain Shares (as defined below) pursuant to Section 7.

2. Vesting and Conversion.

- (a) Subject to the terms of the Plan and this Agreement, the Performance RSUs shall vest in accordance with the vesting conditions set forth in this Section 2 and the performance-based vesting conditions set forth in Appendix A. For purposes of this Agreement, Performance RSUs that have not vested as of the Vesting Date in accordance with this Section 2(a) and Appendix A are referred to as "Unvested Performance RSUs." The shares of Common Stock that are issuable upon the vesting and conversion of the Performance RSUs are referred to in this Agreement as "Shares." As soon as administratively practicable after the vesting and conversion of Performance RSUs (and in any event within sixty (60) days of the Vesting Date or event, as applicable, or during such longer period following the Participant's death as permitted under Section 409A of the Code), and subject to the terms and conditions set forth in the Agreement, the Company shall deliver or cause to be delivered evidence (which may include a book entry by the Company's transfer agent) of the Shares so issued in the name of the Participant to the brokerage firm designated by the Company to maintain the brokerage account established for the Participant or the Participant's heirs, in the case of Section 2(c). Notwithstanding the foregoing, the Company shall not be obligated to issue Shares to or in the name of the Participant upon the vesting and conversion of any Performance RSUs unless the issuance of such Shares shall comply with all relevant provisions of law and other legal requirements including, without limitation, any applicable securities laws and the requirements of any stock exchange upon which shares of Common Stock may then be listed.
- (b) In the event the Participant's employment with the Company or the Employer (as defined in Section 2(e)) is terminated prior to the Vesting Date either by the Participant, the Company, or the Employer for any reason or no reason (other than due to death or Disability, then in each such case, all of the Unvested Performance RSUs as of the date of termination shall terminate and be cancelled immediately and automatically and the Participant shall have no further rights with respect to such Unvested Performance RSUs.
- (c) In the event of the Participant's death prior to the end of the Performance Period, the Unvested Performance RSUs shall vest immediately upon death with respect to the Initial Grant Number of Shares underlying the Performance RSUs, notwithstanding that the Participant was not employed as of the Vesting Date. In the event of the Participant's death after the end of the Performance Period, the Unvested Performance RSUs shall vest with respect to the number of Shares underlying the Performance RSUs that would have vested in accordance with Appendix A had the Participant continued employment through the Vesting Date had he or she not died.

- (d) In the event the Participant becomes Disabled prior to the end of the Performance Period, the Unvested Performance RSUs shall vest immediately as of the date the Participant is determined to be Disabled with respect to the Initial Grant Number of Shares underlying the Performance RSUs, regardless of whether the Participant terminates employment prior to the Vesting Date. In the event the Participant becomes Disabled after the end of the Performance Period, the Unvested Performance RSUs shall vest with respect to the number of Shares underlying the Performance RSUs that would have vested in accordance with Appendix A regardless of whether the Participant continues employment through the Vesting Date.
- (e) For purposes of this Agreement, employment shall include being an employee with the Company. Employment shall also include being an employee with any direct or indirect parent or subsidiary of the Company, or any successor to the Company or any such parent or subsidiary of the Company (the "Employer"). Should a Participant transfer employment to become a director, consultant or advisor to the Company or the Employer following the Date of Grant, he or she will still be considered employed for vesting purposes until he or she ceases to provide services to the Company or any direct or indirect parent or subsidiary of the Company, or any successor to the Company or any such parent or subsidiary of the Company.
3. Restrictions on Transfer.
- (a) The Participant shall not sell, assign, transfer, pledge or otherwise encumber any Performance RSUs, either voluntarily or by operation of law.
- (b) The Company shall not be required (i) to transfer on its books any of the Performance RSUs which have been transferred in violation of any of the provisions set forth herein or (ii) to treat as the owner of such Performance RSUs any transferee to whom such Performance RSUs have been transferred in violation of any of the provisions contained herein.
4. Not a Shareholder. The Performance RSUs represent an unfunded, unsecured promise by the Company to deliver Shares upon vesting and conversion of the Performance RSUs, and until vesting of the Performance RSUs and issuance of the Shares, the Participant shall not have any of the rights of a shareholder with respect to the Shares underlying the Performance RSUs. For the avoidance of doubt, the Participant shall have no right to receive any dividends and shall have no voting rights with respect to the Shares underlying the Performance RSUs for which the record date is on or before the date on which the Shares underlying the Performance RSUs are issued to the Participant.
5. Provisions of the Plan. The Performance RSUs and Shares, including the grant and issuance thereof, are subject to the provisions of the Plan. A copy of the Plan prospectus is available on the Company's Intranet at:
<https://thecircuit.web.analog.com/Pages/CircuitHome.aspx>.
(From The Circuit home page, click Knowledge Centers, HR, Employee Stock Programs. The related documents can be found in the right-hand column.) If the Participant is unable to access this information via the Intranet, the Company's Stock Plan Administrator can provide the Participant with copies (Stock_Plan_Admin@Analog.com).
6. Withholding Taxes.
- (a) Regardless of any action the Company and/or the Employer, if different, takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally applicable to the Participant is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance RSUs, including the grant of the Performance RSUs, the vesting of the Performance RSUs, the subsequent sale of any Shares acquired pursuant to the Performance RSUs and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Performance RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- (b) Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the methods set forth below:

- (i) the Company may withhold a sufficient number of whole Shares otherwise issuable upon the vesting of the Performance RSUs that have an aggregate Fair Market Value sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares. The cash equivalent of the Shares withheld will be used to settle the obligation to withhold the Tax-Related Items (determined by reference to the closing price of the Common Stock on the Nasdaq Global Select Market on the date on which the Performance RSUs vest); or
- (ii) the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant's salary or other amounts payable to the Participant; or
- (iii) the Company may withhold from proceeds of the sale of Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization);

provided, however, that if the Participant is a Section 16 officer of the Company under the Exchange Act, then the Company will withhold a sufficient number of whole Shares otherwise issuable upon the vesting of the Performance RSUs pursuant to (i) above, unless the use of such withholding method is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items will be satisfied pursuant to (iii).

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdictions(s). If the Company and/or the Employer withhold more than the amount necessary to satisfy the liability for Tax-Related Items, case the Participant may receive a refund of the over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested Performance RSU, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event the withholding requirements are not satisfied through the withholding or sale of Shares or through the Participant's salary or other amounts payable to the Participant, no Shares will be issued upon vesting of the Performance RSUs unless and until satisfactory arrangements (as determined by the Compensation Committee of the Board) have been made by the Participant with respect to the payment of any Tax-Related Items which the Company and/or the Employer determine, in each of its sole discretion, must be withheld or collected with respect to such Performance RSUs. No fractional Shares will be withheld or issued pursuant to the grant of the Performance RSUs and the issuance of Shares hereunder. By accepting this grant of Performance RSUs, the Participant expressly consents to the withholding of Shares and/or cash as provided for hereunder. All other Tax-Related Items related to the Performance RSUs and any Shares delivered in payment thereof are the Participant's sole responsibility.

7. Option of Company to Deliver Cash. Notwithstanding any of the other provisions of this Agreement, and except as set forth in Appendix B, where share settlement is otherwise prohibited under local law or may present adverse tax consequences to the Participant, at the time the Performance RSUs vest, the Company may elect, in the sole discretion of the Compensation Committee of the Board, to deliver by wire transfer to the Participant in lieu of Shares an equivalent amount of cash (determined by reference to the closing price of the Common Stock on the Nasdaq Global Select Market on the date on which the Performance RSUs vest). If the Company elects to deliver cash to the Participant, the Company is authorized to retain such amount as is sufficient in the opinion of the Company to satisfy the Tax-Related Items withholding obligations of the Company pursuant to Section 6 herein.
8. Repatriation and Other Legal Requirements. The Participant agrees as a condition of the grant of the Performance RSUs, as applicable, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of the Shares acquired pursuant to the Performance RSUs) in accordance with all foreign exchange rules and regulations applicable to the Participant. In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its subsidiaries, as may be required to allow the Company and its subsidiaries to comply with all laws, rules and regulations applicable to the Participant. Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under all laws, rules and regulations applicable to the Participant.
9. Miscellaneous.
 - (a) No Rights to Employment. The grant of the Performance RSUs shall not confer upon the Participant any right to continue in the employ of the Company or the Employer, nor limit in any way the right of the Company or the Employer to terminate the Participant's employment at any time. Except in the event of Disability or termination of employment due to death, the vesting of the Performance RSUs pursuant to Section 2 and Appendix A, is earned only by satisfaction of the performance-based vesting conditions and continuing service as an employee at the will of the Company or the Employer through the Vesting Date (not through the act of being hired or engaged or being granted the Performance RSUs hereunder).

- (b) Discretionary Nature. The Participant acknowledges and agrees that the Plan is discretionary in nature and may be amended, cancelled, or terminated by the Company at any time, to the extent permitted under the Plan. The Participant's participation in the Plan is voluntary. The grant of the Performance RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Performance RSUs or any other award under the Plan or other benefits in lieu thereof in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of any grant, the number of Shares subject to the grant, and the vesting provisions. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Company or the Employer. The Performance RSUs and income from such Performance RSUs shall not be included in any calculation of severance, resignation, redundancy, end of service payments, bonuses, long-service awards, holiday pay, pension, or retirement benefits or similar payments. The Performance RSUs should in no event be considered as compensation for, or relating in any way to, past services for the Company or the Employer.
- (c) Future Value of Shares. The future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty.
- (d) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.
- (e) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Participant and his or her respective heirs, executors, administrators, legal representatives, successors and assigns, subject to the restrictions on transfer set forth in Section 3 of this Agreement.
- (f) Notice. Each notice relating to this Award shall be in writing (which shall include electronic form) and delivered in person, electronically or by first class mail, postage prepaid, to the address as hereinafter provided. Each notice shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its offices at Analog Devices, Inc., One Analog Way, Wilmington, MA 01887, Attention: Chief Financial Officer. Each notice to the Participant shall be addressed to the Participant at the Participant's last known mailing or email address, as applicable, on the records of the Company.
- (g) Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.
- (h) Entire Agreement. This Agreement and the Plan constitute the entire understanding between the parties, and supersede all prior agreements and understandings, relating to the subject matter of these documents.
- (i) Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to any applicable conflicts of laws.
- (j) Compliance with Laws. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. The Participant also understands and agrees that the Awards granted under the Plan, including the Performance RSUs and the underlying Shares, are subject to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any SEC regulations, as now or hereafter in effect. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.
- (k) Interpretation. The interpretation and construction of any terms or conditions of this Agreement or the Plan, or other matters related to the Plan, by the Compensation Committee of the Board shall be final and conclusive.
- (l) Participant's Acceptance. The Participant is urged to read this Agreement carefully and to consult with his or her own legal counsel regarding the terms and consequences of this Agreement and the legal and binding effect of this Agreement. By virtue of his or her acceptance of this Award, the Participant is deemed to have accepted and agreed to all of the terms and conditions of this Agreement and the provisions of the Plan.
- (m) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Performance RSUs or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

- (n) Additional Requirements. The Company reserves the right to impose other requirements on the Performance RSUs, any Shares acquired pursuant to the Performance RSUs, and the Participant's participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable for legal or administrative reasons. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
- (o) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any non-cash distribution to holders of Common Stock, the number of Performance RSUs, and Shares issuable upon vesting and conversion thereof, shall be appropriately adjusted in such manner as shall be determined by the Compensation Committee of the Board.
- (p) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of Shares. The Participant is encouraged to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
- (q) Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the Common Stock is listed, the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions which may affect the Participant's ability to accept, acquire, sell, or otherwise dispose of Common Stock, rights to Common Stock (e.g., Performance RSUs), or rights linked to the value of Common Stock (e.g., phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.
- (r) Waiver. The Participant acknowledges that a waiver by the Company or breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.

/s/ Ray Stata

Ray Stata
Chairman of the Board

/s/ Vincent Roche

Vincent Roche
President & Chief Executive Officer



**APPENDIX A TO
2020 EQUITY INCENTIVE PLAN
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT
INTEGRATION AWARD**

1. **Performance Period.** The period ending twenty-four months after the closing date of the Company's acquisition of Maxim Integrated Inc. (the "Performance Period"). The Company's acquisition of Maxim Integrated Inc. ("Maxim") is referred to in this Appendix A as the "Acquisition."
2. **Vesting Date.** The 60th day following the end of the Performance Period.
3. **Determination Date:** The date the Compensation Committee of the Board determines the level of attainment of the Performance Parameters for the Performance Period, which date shall be as soon as practicable following the end of the Performance Period.
4. **Performance-Based Vesting Terms.** The number of Performance RSUs that shall vest shall be equal to a number of Performance RSUs that is between 0% and 200% of the Initial Grant Number. Such vesting of the Performance RSUs is based on the attainment of three performance metrics: (1) the Operating Profit Goal; (2) the Synergy Performance Goal; and (3) the Speed of Delivery Accelerator. The Operating Profit Goal, the Synergy Performance Goal, and the Speed of Delivery Accelerator are referred to, collectively, as the "Performance Parameters."

The Operating Profit Goal is a threshold goal, such that 0% of the Initial Grant Number shall vest if the Operating Profit Goal has not been attained (regardless of the extent to which the Synergy Performance Goal and Speed of Delivery Accelerator have been attained). Further, if the Acquisition fails to close, the Performance RSUs shall be cancelled.

Provided that the Operating Profit Goal has been attained for the Performance Period, a number of the Performance RSUs ranging from 0% to 150% of the Initial Grant Number shall vest based on the attainment of the Synergy Performance Goal. The table below sets forth the number of Performance RSUs eligible to vest based on the attainment level of the Synergy Performance Goal (equal to the product of the Initial Grant Number, multiplied by the Attainment Percentage). The Attainment Percentage shall be calculated based on linear interpolation among the attainment levels of the Synergy Performance Goal and will be rounded to the nearest whole percentage point.

<u>Attainment Percentage</u>	<u>Synergy Performance Goal Achieved</u>
0%	Lowest threshold as determined by the Compensation Committee of the Board
100%	100% target as determined by the Compensation Committee of the Board
150%	150% target as determined by the Compensation Committee of the Board

Finally, if the Speed of Delivery Accelerator has been attained, an additional 50% of the Initial Grant Number is eligible to vest on the Vesting Date. The Speed of Delivery Accelerator shall be calculated independently of the Synergy Performance Goal.

- (a) "Operating Profit Goal" shall mean Non-GAAP Operating Profit Before Taxes for the last four fiscal quarters completed as of the end of the Performance Period as a percentage of Revenue equal to or exceeding a percentage approved by the Compensation Committee of the Board in connection with the granting of the Award.
- (b) "Revenue" shall mean "Revenue," as reported by the Company in its earnings press release furnished to the U.S. Securities and Exchange Commission ("SEC"), which shall be determined in accordance with Generally Accepted Accounting Principles ("GAAP"), as adjusted to exclude the revenue generated from one-time licensing and the financial accounting impact of acquisition-related adjustments, including conforming the acquired entity's revenue policies to Company revenue policies.
- (c) "Non-GAAP Operating Profit Before Taxes" means Non-GAAP Operating Profit Before Taxes, as reported by the Company in its earnings press release furnished to the SEC, which shall be determined in accordance with GAAP and disclosed non-GAAP adjustments and further adjusted for stock based compensation expense and the results of any acquisitions or divestitures of significant materiality to be reported in the Company's 10-Q/10-K filings.
- (d) The definition of or method of determining Non-GAAP Operating Profit Before Taxes for purposes of ascertaining the attainment level of the Operating Profit Goal may, in the discretion of the Compensation Committee of the Board, be adjusted to eliminate the impact of any one or more of the following unanticipated events:
 - (i) items related to a change in GAAP in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time;

- (ii) items relating to unusual or extraordinary corporate transactions, events or developments, or
 - (iii) items relating to gains or losses for material litigation, arbitration and contractual settlements.
- (e) “Synergy Performance Goal” shall mean the amount of Verifiable Synergies with respect to the combined costs resulting from the Acquisition, where the synergy takes effect during the Performance Period or will take effect within the 12-month period immediately following the Performance Period as a result of a firm commitment made during the Performance Period, and is evidenced as described below. Verifiable Synergies will be measured by the gross annualized run rate savings realized less any annualized run rate expense incurred necessary to achieve the Verifiable Synergies.
- The attainment of the Synergy Performance Goal shall be calculated by the Company and approved by the Compensation Committee of the Board on the Determination Date.
- “Verifiable Synergies” are commitments that may include, but are not limited to: formal cancellation of contracts or the non-renewal of existing contracts, renegotiated contracts, communicated severance agreements to employees or, other similar firm commitments. These shall be calculated by the Company and approved by the Compensation Committee of the Board.
- (f) The “Speed of Delivery Accelerator” shall be obtained if US \$275M or more of Verifiable Synergies are realized within the eighteen-month period commencing from the closing date of the Acquisition.