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

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**Form 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 3, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-7819

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**Analog Devices, Inc.**

*(Exact name of registrant as specified in its charter)*

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**Massachusetts**

*(State or other jurisdiction of incorporation or organization)*

**One Technology Way, Norwood, MA**

*(Address of principal executive offices)*

**04-2348234**

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

**02062-9106**

*(Zip Code)*

**(781) 329-4700**

*(Registrant's telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)*

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

As of February 3, 2018 there were 369,803,589 shares of common stock of the registrant, \$0.16 2/3 par value per share, outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

ANALOG DEVICES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)  
 (thousands, except per share amounts)

	Three Months Ended	
	February 3, 2018	January 28, 2017
Revenue	\$ 1,518,624	\$ 984,449
Cost of sales (1)	483,434	335,945
Gross margin	1,035,190	648,504
Operating expenses:		
Research and development (1)	288,597	183,954
Selling, marketing, general and administrative (1)	176,908	130,659
Amortization of intangibles	107,019	18,160
Special charges	57,318	49,463
	629,842	382,236
Operating income	405,348	266,268
Nonoperating expense (income):		
Interest expense	68,030	42,614
Interest income	(2,092)	(10,000)
Other, net	556	345
	66,494	32,959
Income before income taxes	338,854	233,309
Provision for income taxes	70,682	16,180
Net income	\$ 268,172	\$ 217,129
Shares used to compute earnings per common share – basic	369,093	308,786
Shares used to compute earnings per common share – diluted	374,189	313,076
Basic earnings per common share	\$ 0.72	\$ 0.70
Diluted earnings per common share	\$ 0.71	\$ 0.69
Dividends declared and paid per share	\$ 0.45	\$ 0.42
(1) Includes stock-based compensation expense as follows:		
Cost of sales	\$ 4,221	\$ 1,944
Research and development	\$ 19,728	\$ 7,021
Selling, marketing, general and administrative	\$ 13,953	\$ 7,564

See accompanying notes.

ANALOG DEVICES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)  
 (thousands)

	Three Months Ended	
	February 3, 2018	January 28, 2017
Net income	\$ 268,172	\$ 217,129
Foreign currency translation adjustments	10,171	(4,962)
Change in fair value of available-for-sale securities (net of taxes of \$0 and \$4, respectively)	(2)	219
Change in fair value of derivative instruments designated as cash flow hedges (net of taxes of \$2,094 and \$1,395, respectively)	8,350	2,085
Changes in pension plans including prior service cost, transition obligation, net actuarial loss and foreign currency translation adjustments (net of taxes of \$103 and \$101 respectively)	(1,517)	179
Other comprehensive income	17,002	(2,479)
Comprehensive income	<u>\$ 285,174</u>	<u>\$ 214,650</u>

See accompanying notes.

ANALOG DEVICES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(thousands, except share and per share amounts)

	February 3, 2018	October 28, 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 827,550	\$ 1,047,838
Accounts receivable	709,761	688,953
Inventories (1)	559,720	550,816
Prepaid income tax	4,940	3,522
Prepaid expenses and other current assets	75,775	60,209
Total current assets	2,177,746	2,351,338
<b>Property, Plant and Equipment, at Cost</b>		
Land and buildings	801,191	794,456
Machinery and equipment	2,412,970	2,368,215
Office equipment	68,144	66,493
Leasehold improvements	84,698	75,263
	3,367,003	3,304,427
Less accumulated depreciation and amortization	2,251,586	2,197,123
Net property, plant and equipment	1,115,417	1,107,304
<b>Other Assets</b>		
Deferred compensation plan investments	38,847	32,572
Other investments	26,246	24,838
Goodwill	12,224,141	12,217,455
Intangible assets, net	5,182,355	5,319,425
Deferred tax assets	31,000	32,322
Other assets	57,563	56,040
Total other assets	17,560,152	17,682,652
	\$ 20,853,315	\$ 21,141,294
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 223,107	\$ 236,629
Deferred income on shipments to distributors, net	529,532	473,972
Income taxes payable	48,599	86,905
Debt, current	50,000	300,000
Accrued liabilities	385,310	498,826
Total current liabilities	1,236,548	1,596,332
<b>Non-current liabilities</b>		
Long-term debt	7,384,856	7,551,084
Deferred income taxes	981,866	1,674,683
Deferred compensation plan liability	38,847	32,572
Income taxes payable	742,390	49,583
Other non-current liabilities	121,029	75,500
Total non-current liabilities	9,268,988	9,383,422
Commitments and contingencies		
<b>Shareholders' Equity</b>		
Preferred stock, \$1.00 par value, 471,934 shares authorized, none outstanding	—	—
Common stock, \$0.16 2/3 par value, 1,200,000,000 shares authorized, 369,803,589 shares outstanding (368,635,788 on October 28, 2017)	61,635	61,441
Capital in excess of par value	5,318,109	5,250,519
Retained earnings	5,012,392	4,910,939
Accumulated other comprehensive loss	(44,357)	(61,359)
Total shareholders' equity	10,347,779	10,161,540
	\$ 20,853,315	\$ 21,141,294

(1) Includes \$5,270 and \$5,373 related to stock-based compensation at February 3, 2018 and October 28, 2017, respectively. See accompanying notes.

ANALOG DEVICES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(thousands)

	Three Months Ended	
	February 3, 2018	January 28, 2017 (as adjusted, See Note 1)
Cash flows from operating activities:		
Net income	\$ 268,172	\$ 217,129
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	56,415	34,379
Amortization of intangibles	142,050	19,947
Stock-based compensation expense	37,902	16,529
Deferred income taxes	(691,496)	(7,055)
Other non-cash activity	6,762	13,071
Changes in operating assets and liabilities	568,883	28,594
Total adjustments	120,516	105,465
Net cash provided by operating activities	388,688	322,594
Cash flows from investing activities:		
Purchases of short-term available-for-sale investments	—	(326,908)
Maturities of short-term available-for-sale investments	—	1,844,380
Sales of short-term available-for-sale investments	—	287,601
Additions to property, plant and equipment	(63,222)	(28,337)
Payments for acquisitions, net of cash acquired	—	(1,036)
Changes in other assets	(1,278)	(5,946)
Net cash (used for) provided by investing activities	(64,500)	1,769,754
Cash flows from financing activities:		
Proceeds from debt	—	2,072,306
Payments of deferred financing fees	—	(5,625)
Proceeds from derivative instruments	—	3,904
Debt repayments	(420,000)	—
Dividend payments to shareholders	(166,719)	(129,683)
Repurchase of common stock	(7,930)	(3,106)
Proceeds from employee stock plans	37,812	34,432
Changes in other financing activities	8,811	2,221
Net cash (used for) provided by financing activities	(548,026)	1,974,449
Effect of exchange rate changes on cash	3,550	(666)
Net (decrease) increase in cash and cash equivalents	(220,288)	4,066,131
Cash and cash equivalents at beginning of period	1,047,838	921,132
Cash and cash equivalents at end of period	\$ 827,550	\$ 4,987,263

See accompanying notes.

**Note 1 – Basis of Presentation**

In the opinion of management, the information furnished in the accompanying condensed consolidated financial statements reflects all normal recurring adjustments that are necessary to fairly state the results for these interim periods and should be read in conjunction with Analog Devices, Inc.'s (the Company) Annual Report on Form 10-K for the fiscal year ended October 28, 2017 (fiscal 2017) and related notes. The results of operations for the interim periods shown in this report are not necessarily indicative of the results that may be expected for the fiscal year ending November 3, 2018 (fiscal 2018) or any future period.

On March 10, 2017 (Acquisition Date), the Company completed the acquisition of Linear Technology Corporation (Linear), a designer, manufacturer and marketer of high performance analog integrated circuits. The acquisition of Linear is referred to as the Acquisition. The condensed consolidated financial statements included in this Quarterly Report on Form 10-Q include the financial results of Linear prospectively from the Acquisition Date. See Note 13, *Acquisitions*, of these Notes to Condensed Consolidated Financial Statements for further information.

Certain amounts reported in previous periods have been reclassified to conform to the fiscal 2018 presentation. In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). As a result of the adoption of ASU 2016-09 in the first quarter of fiscal 2018, excess tax benefits from share-based payments are presented within operating activities in the Consolidated Statements of Cash Flows. We applied this change in presentation retrospectively and have adjusted the prior year presentation by removing the reclass of \$8.1 million of excess tax benefit-stock options from net cash provided by operating activities to net cash provided by financing activities. All other reclassified amounts are immaterial.

The Company has a 52-53 week fiscal year that ends on the Saturday closest to the last day in October. Fiscal 2018 is a 53-week fiscal year and fiscal 2017 was a 52-week fiscal year. The additional week in fiscal 2018 is included in the first quarter ended February 3, 2018. Therefore, the first quarter of fiscal 2018 included 14 weeks of operations and the first quarter of fiscal 2017 included 13 weeks of operations.

**Note 2 – Revenue Recognition**

Revenue from product sales to customers is generally recognized when title passes, which is upon shipment in the U.S. and in certain foreign countries. Revenue from product sales to customers in other foreign countries is recognized subsequent to product shipment. Title for shipments to these other foreign countries ordinarily passes within a week of shipment. Accordingly, the Company defers the revenue recognized relating to these other foreign countries until title has passed. For multiple element arrangements, the Company allocates arrangement consideration among the elements based on the relative fair values of those elements as determined using vendor-specific objective evidence or third-party evidence. The Company uses its best estimate of selling price to allocate arrangement consideration between the deliverables in cases where neither vendor-specific objective evidence nor third-party evidence is available. A reserve for sales returns and allowances for customers is recorded based on historical experience or specific identification of an event necessitating a reserve.

Revenue from contracts with the United States government, government prime contractors and some commercial customers is generally recorded on a percentage of completion basis using either units delivered or costs incurred as the measurement basis for progress towards completion. The output measure is used to measure results directly and is generally the best measure of progress toward completion in circumstances in which a reliable measure of output can be established. Estimated revenue in excess of amounts billed is reported as unbilled receivables. Contract accounting requires judgment in estimating costs and assumptions related to technical issues and delivery schedule. Contract costs include material, subcontractor costs, labor and an allocation of indirect costs. The estimation of costs at completion of a contract is subject to numerous variables involving contract costs and estimates as to the length of time to complete the contract. Changes in contract performance, estimated gross margin, including the impact of final contract settlements, and estimated losses are recognized in the period in which the changes or losses are determined.

Product sales to certain international distributors are made under agreements that permit limited stock return privileges but not sales price rebates. Revenue on these sales is recognized upon shipment at which time title passes.

The Company defers revenue and the related cost of sales on shipments to U.S. distributors and certain international distributors until the distributors resell the products to their customers. As a result, the Company's revenue fully reflects end

customer purchases and is not impacted by distributor inventory levels. Sales to certain of these distributors are made under agreements that allow such distributors to receive price-adjustment credits, as discussed below, and to return qualifying products for credit, as determined by the Company, in order to reduce the amounts of slow-moving, discontinued or obsolete product from their inventory. These agreements limit such returns to a certain percentage of the value of the Company's shipments to that distributor during the prior quarter. In addition, such distributors are allowed to return unsold products if the Company terminates the relationship with the distributor.

Certain distributors are granted price-adjustment credits for sales to their customers when the distributor's standard cost (i.e., the Company's sales price to the distributor) does not provide the distributor with an appropriate margin on its sales to its customers. As distributors negotiate selling prices with their customers, the final sales price agreed upon with the customer will be influenced by many factors, including the particular product being sold, the quantity ordered, the particular customer, the geographic location of the distributor and the competitive landscape. As a result, the distributor may request and receive a price-adjustment credit from the Company to allow the distributor to earn an appropriate margin on the transaction.

Certain distributors are also granted price-adjustment credits in the event of a price decrease subsequent to the date the product was shipped and billed to the distributor. Generally, the Company will provide a credit equal to the difference between the price paid by the distributor (less any prior credits on such products) and the new price for the product multiplied by the quantity of the specific product in the distributor's inventory at the time of the price decrease.

Given the uncertainties associated with the levels of price-adjustment credits to be granted to certain distributors, the sales price to the distributor is not fixed or determinable until the distributor resells the products to their customers. Therefore, the Company defers revenue recognition from sales to certain distributors until the distributors have sold the products to their customers.

Generally, title to the inventory transfers to the distributor at the time of shipment or delivery to the distributor, and payment from the distributor is due in accordance with the Company's standard payment terms. These payment terms are not contingent upon the distributors' sale of the products to their customers. Upon title transfer to distributors, inventory is reduced for the cost of goods shipped, the margin (sales less cost of sales) is recorded as "deferred income on shipments to distributors, net" and an account receivable is recorded. Shipping costs are charged to cost of sales as incurred.

The deferred costs of sales to distributors have historically had very little risk of impairment due to the margins the Company earns on sales of its products and the relatively long life-cycle of the Company's products. Product returns from distributors that are ultimately scrapped have historically been immaterial. In addition, price protection and price-adjustment credits granted to distributors historically have not exceeded the margins the Company earns on sales of its products. The Company continuously monitors the level and nature of product returns and is in frequent contact with the distributors to ensure reserves are established for all known material issues.

As of February 3, 2018 and October 28, 2017, the Company had gross deferred revenue of \$656.3 million and \$589.5 million, respectively, and gross deferred cost of sales of \$126.8 million and \$115.5 million, respectively.

The Company generally offers a twelve-month warranty for its products. The Company's warranty policy provides for replacement of defective products. Specific accruals are recorded for known product warranty issues. Product warranty expenses during each of the three-month periods ended February 3, 2018 and January 28, 2017 were not material.

### **Note 3 – Stock-Based Compensation**

A summary of the Company's stock option activity as of February 3, 2018 and changes during the three-month period then ended is presented below:

<u>Activity during the Three Months Ended February 3, 2018</u>	<u>Options Outstanding (in thousands)</u>	<u>Weighted-Average Exercise Price Per Share</u>	<u>Weighted-Average Remaining Contractual Term in Years</u>	<u>Aggregate Intrinsic Value</u>
<b>Options outstanding at October 28, 2017</b>	9,347	\$52.27		
Options granted	21	\$91.63		
Options exercised	(1,005)	\$37.66		
Options forfeited	(113)	\$62.38		
Options expired	(7)	\$29.91		
<b>Options outstanding at February 3, 2018</b>	<u>8,243</u>	<u>\$54.04</u>	6.3	\$289,183
<b>Options exercisable at February 3, 2018</b>	<u>3,934</u>	<u>\$43.51</u>	4.7	\$179,426
<b>Options vested or expected to vest at February 3, 2018 (1)</b>	<u>7,968</u>	<u>\$53.52</u>	6.2	\$283,587

(1) In addition to the vested options, the Company expects a portion of the unvested options to vest at some point in the future. The number of options expected to vest is calculated by applying an estimated forfeiture rate to the unvested options.

During the three-month period ended February 3, 2018, the total intrinsic value of options exercised (i.e., the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$53.9 million, and the total amount of proceeds received by the Company from the exercise of these options was \$37.8 million.

During the three-month period ended January 28, 2017, the total intrinsic value of options exercised (i.e., the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$35.6 million, and the total amount of proceeds received by the Company from the exercise of these options was \$34.4 million.

A summary of the Company's restricted stock unit/award activity as of February 3, 2018 and changes during the three-month period then ended is presented below:

<u>Activity during the Three Months Ended February 3, 2018</u>	<u>Restricted Stock Units/Awards Outstanding (in thousands)</u>	<u>Weighted-Average Grant-Date Fair Value Per Share</u>
<b>Restricted stock units/awards outstanding at October 28, 2017</b>	5,680	\$71.88
Units/Awards granted	281	\$87.15
Restrictions lapsed	(241)	\$75.11
Forfeited	(173)	\$70.98
<b>Restricted stock units/awards outstanding at February 3, 2018</b>	<u>5,547</u>	<u>\$72.66</u>

As of February 3, 2018, there was \$349.2 million of total unrecognized compensation cost related to unvested stock-based awards comprised of stock options and restricted stock units/awards. That cost is expected to be recognized over a weighted-average period of 1.8 years. The total grant-date fair value of shares that vested during the three-month period ended February 3, 2018 was approximately \$20.4 million. The total grant-date fair value of shares that vested during the three-month period ended January 28, 2017 was approximately \$5.1 million.

#### **Note 4 – Accumulated Other Comprehensive Income (Loss)**

The following table provides the changes in accumulated other comprehensive income (loss) (OCI) by component and the related tax effects during the first three months of fiscal 2018.



	Foreign currency translation adjustment	Unrealized holding gains on available for sale securities	Unrealized holding (losses) on available for sale securities	Unrealized holding gains (losses) on derivatives	Pension plans	Total
<b>October 28, 2017</b>	\$ (22,489)	\$ 1	\$ (1)	\$ (10,879)	\$ (27,991)	\$ (61,359)
Other comprehensive income (loss) before reclassifications	10,171	1	(3)	13,127	(1,841)	21,455
Amounts reclassified out of other comprehensive income (loss)	—	—	—	(2,683)	427	(2,256)
Tax effects	—	1	(1)	(2,094)	(103)	(2,197)
Other comprehensive income (loss)	10,171	2	(4)	8,350	(1,517)	17,002
<b>February 3, 2018</b>	\$ (12,318)	\$ 3	\$ (5)	\$ (2,529)	\$ (29,508)	\$ (44,357)

The amounts reclassified out of accumulated OCI with presentation location during each period were as follows:

Comprehensive Income Component	Three Months Ended		Location
	February 3, 2018	January 28, 2017	
Unrealized holding losses (gains) on derivatives			
Currency forwards	\$ (1,275)	\$ 1,700	Cost of sales
	(1,069)	1,014	Research and development
	(969)	1,093	Selling, marketing, general and administrative
Interest rate derivatives	630	529	Interest expense
	(2,683)	4,336	Total before tax
	344	(855)	Tax
	\$ (2,339)	\$ 3,481	Net of tax
Amortization of pension components			
Transition obligation	\$ 2	\$ 3	(a)
Prior service credit	—	(2)	(a)
Actuarial losses	425	455	(a)
	427	456	Total before tax
	(103)	(101)	Tax
	\$ 324	\$ 355	Net of tax
Total amounts reclassified out of accumulated other comprehensive income (loss), net of tax	\$ (2,015)	\$ 3,836	

a) The amortization of pension components is included in the computation of net periodic pension cost. For further information see Note 13, *Retirement Plans*, contained in Item 8 of the Annual Report on Form 10-K for the fiscal year ended October 28, 2017.

The Company estimates \$5.9 million, net of tax, of forward foreign currency derivative instruments included in OCI will be reclassified into earnings within the next 12 months. There was no material ineffectiveness related to designated forward foreign currency derivative instruments in the three-month periods ended February 3, 2018 and January 28, 2017.

As of February 3, 2018, the Company held 11 investment securities, 5 of which were in an unrealized loss position with immaterial gross unrealized losses and an aggregate fair value of \$99.9 million. As of October 28, 2017, the Company held 18 investment securities, 8 of which were in an unrealized loss position with immaterial gross unrealized losses and an aggregate fair value of \$143.9 million. These unrealized losses were primarily related to corporate obligations that earn lower interest rates than current market rates. None of these investments have been in a loss position for more than twelve months. As the Company does not intend to sell these investments and it is unlikely that the Company will be required to sell the investments

before recovery of their amortized basis, which will be at maturity, the Company does not consider those investments to be other-than-temporarily impaired at February 3, 2018 and October 28, 2017.

Realized gains or losses on investments are determined based on the specific identification basis and are recognized in nonoperating expense (income). There were no material net realized gains or losses from the sales of available-for-sale investments during any of the fiscal periods presented.

#### Note 5 – Earnings Per Share

Basic earnings per share is computed based only on the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of potential future issuances of common stock relating to stock option programs and other potentially dilutive securities using the treasury stock method. In calculating diluted earnings per share, the dilutive effect of stock options and restricted stock units is computed using the average market price for the respective period. In addition, the assumed proceeds under the treasury stock method include the average unrecognized compensation expense of stock options that are in-the-money and restricted stock units. This results in the “assumed” buyback of additional shares, thereby reducing the dilutive impact of in-the-money stock options. Potential shares related to certain of the Company’s outstanding stock options and restricted stock units were excluded because they were anti-dilutive. Those potential shares, determined based on the weighted average exercise prices during the respective periods, could be dilutive in the future.

In connection with the Acquisition, the Company granted restricted stock awards to replace outstanding restricted stock awards of Linear employees. These restricted stock awards entitle recipients to voting and nonforfeitable dividend rights from the date of grant. These unvested stock-based compensation awards are considered participating securities and the two-class method is used for purposes of calculating earnings per share. Under the two-class method, a portion of net income is allocated to these participating securities and therefore is excluded from the calculation of earnings per share allocated to common stock, as shown in the table below. The difference between the income allocated to participating securities under the basic and diluted two-class methods is not material.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended	
	February 3, 2018	January 28, 2017
Net Income	\$ 268,172	\$ 217,129
Less: income allocated to participating securities	1,243	—
Net income allocated to common stockholders	<u>\$ 266,929</u>	<u>\$ 217,129</u>
Basic shares:		
Weighted-average shares outstanding	369,093	308,786
Earnings per common share basic:	<u>\$ 0.72</u>	<u>\$ 0.70</u>
Diluted shares:		
Weighted-average shares outstanding	369,093	308,786
Assumed exercise of common stock equivalents	5,096	4,290
Weighted-average common and common equivalent shares	<u>374,189</u>	<u>313,076</u>
Earnings per common share diluted:	<u>\$ 0.71</u>	<u>\$ 0.69</u>
Anti-dilutive shares related to:		
Outstanding share-based awards	1,472	66

#### Note 6 – Special Charges

The Company monitors global macroeconomic conditions on an ongoing basis and continues to assess opportunities for improved operational effectiveness and efficiency, as well as a better alignment of expenses with revenues. As a result of these assessments, the Company has undertaken various restructuring actions over the past several years. These actions are described below.

The following tables display the special charges taken for ongoing actions and a roll-forward from October 28, 2017 to February 3, 2018 of the employee separation and exit cost accruals established related to these actions.

	Closure of Manufacturing Facilities	Reduction of Operating Costs Action	Early Retirement Action	Total Special Charges
<b>Statements of Income</b>				
Fiscal 2016 - Workforce reductions	\$ —	\$ 13,684	\$ —	\$ 13,684
Fiscal 2017 - Workforce reductions	\$ —	\$ 8,126	\$ 41,337	\$ 49,463
Fiscal 2018 - Workforce reductions	\$ 41,201	\$ 16,117	\$ —	\$ 57,318

	Closure of Manufacturing Facilities	Reduction of Operating Costs Action	Early Retirement Action
<b>Accrued Restructuring</b>			
<b>Balance at October 28, 2017</b>	\$ —	\$ 5,137	\$ 32,211
Fiscal 2018 special charges	41,201	16,117	—
Severance and other payments	—	(2,798)	(6,461)
Effect of foreign currency on accrual	—	66	—
<b>Balance at February 3, 2018</b>	\$ 41,201	\$ 18,522	\$ 25,750

#### *Closure of Manufacturing Facilities*

During the first quarter of fiscal 2018, the Company recorded a special charge of \$41.2 million as a result of its decision to consolidate certain wafer and test facility operations acquired as part of the Acquisition. Over the next three to five years, the Company plans to close its Hillview wafer fabrication facility located in Milpitas, California and its Singapore test facility. The Company intends to transfer Hillview wafer fabrication production to its other internal facilities and to external foundries. In addition, the Company is planning to transition testing operations currently handled in its Singapore facility to its facilities in Penang, Malaysia and the Philippines, in addition to its outsourced assembly and test partners. The special charge was for severance and fringe benefit costs in accordance with the Company's ongoing benefit plan or statutory requirements at foreign locations for 1,249 manufacturing, engineering and SMG&A employees. As of February 3, 2018, the Company still employed all employees included in this cost reduction action. These employees must continue to be employed by the Company until their employment is terminated in order to receive the severance benefits. The accrual related to this action is included in other non-current liabilities in the condensed consolidated balance sheet as of February 3, 2018.

#### *Reduction of Operating Costs Action*

During the second quarter of fiscal 2016, the Company recorded special charges of approximately \$13.7 million for severance and fringe benefit costs in accordance with the Company's ongoing benefit plan for 123 manufacturing, engineering and SMG&A employees. As of February 3, 2018, the Company still employed 6 of the 123 employees included in this cost reduction action. These employees must continue to be employed by the Company until their employment is involuntarily terminated in order to receive the severance benefits.

During the first quarter of fiscal 2017, the Company recorded special charges of approximately \$8.1 million for severance and fringe benefit costs in accordance with the Company's ongoing benefit plan or statutory requirements at foreign locations for 177 manufacturing, engineering and SMG&A employees. As of February 3, 2018, the Company still employed 7 of the 177 employees included in this cost reduction action. These employees must continue to be employed by the Company until their employment is terminated in order to receive the severance benefits.

During the first quarter of fiscal 2018, the Company recorded special charges of approximately \$16.1 million for severance and fringe benefit costs in accordance with the Company's ongoing benefit plan or statutory requirements at foreign locations for 126 manufacturing, engineering and SMG&A employees. As of February 3, 2018, the Company still employed 61 of the 126 employees included in this cost reduction action. These employees must continue to be employed by the Company until their employment is terminated in order to receive the severance benefits.

The accrual related to these actions is include in accrued liabilities in the condensed consolidated balance sheet as of February 3, 2018.

#### *Early Retirement Offer Action*

During the first quarter of fiscal 2017, the Company initiated an early retirement offer. This resulted in a special charge of approximately \$41.3 million for severance, related benefits and other costs in accordance with this program for 225 manufacturing, engineering and selling, marketing, general and administrative (SMG&A) employees. As of February 3,

2018, the Company still employed 5 of the 225 employees included in these cost reduction actions. These employees must continue to be employed by the Company until their employment is terminated in order to receive the severance benefits.

The accrual related to this action is include in accrued liabilities in the condensed consolidated balance sheet as of February 3, 2018.

#### Note 7 – Segment Information

In the first quarter of fiscal 2018, the Company completed organizational changes designed to integrate the operations of Linear into the Company’s organizational structure and to reflect the evolution of the Company’s markets. As a result of these organizational changes, the Company re-evaluated its reporting structure under the new organization and concluded that the Company continues to operate in one reportable segment based on the aggregation of eight operating segments. The Company designs, develops, manufactures and markets a broad range of integrated circuits (ICs). The Chief Executive Officer has been identified as the Company’s Chief Operating Decision Maker. The Company has determined that all of the Company’s operating segments share the following similar economic characteristics, and therefore meet the criteria established for operating segments to be aggregated into one reportable segment, namely:

- The primary source of revenue for each operating segment is the sale of ICs.
- The ICs sold by each of the Company’s operating segments are manufactured using similar semiconductor manufacturing processes and raw materials in either the Company’s own production facilities or by third-party wafer fabricators using proprietary processes.
- The Company sells its products to tens of thousands of customers worldwide. Many of these customers use products spanning all operating segments in a wide range of applications.
- The ICs marketed by each of the Company’s operating segments are sold globally through a direct sales force, third-party distributors, independent sales representatives and via the Company’s website to the same types of customers.

All of the Company’s operating segments share similar economic characteristics, including long-term gross margins. The causes for variation in operating and financial performance are the same among the Company’s operating segments and include factors such as (i) life cycle and price and cost fluctuations, (ii) number of competitors, (iii) product differentiation and (iv) size of market opportunity. Additionally, each operating segment is subject to the overall cyclical nature of the semiconductor industry. Lastly, the number and composition of employees and the amounts and types of tools and materials required for production of products are proportionately similar for each operating segment.

#### Revenue Trends by End Market

The following table summarizes revenue by end market for the three-month periods ended February 3, 2018 and January 28, 2017. The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the “sold to” customer information, the “ship to” customer information and the end customer product or application into which the Company’s product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs, the Company reclassifies revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	Three Months Ended				
	February 3, 2018			January 28, 2017	
	Revenue	% of Revenue*	Y/Y%	Revenue	% of Revenue
Industrial	\$ 743,623	49%	87 %	\$ 396,784	40%
Automotive	252,170	17%	76 %	142,962	15%
Consumer	238,506	16%	(12)%	270,293	27%
Communications	284,325	19%	63 %	174,410	18%
<b>Total revenue</b>	<b>\$ 1,518,624</b>	<b>100%</b>	<b>54 %</b>	<b>\$ 984,449</b>	<b>100%</b>

\* The sum of the individual percentages may not equal the total due to rounding.

#### Revenue Trends by Geographic Region

Revenue by geographic region, based on the primary end customer location, for the three-month periods ended February 3, 2018 and January 28, 2017 were as follows:

Region	Three Months Ended	
	February 3, 2018	January 28, 2017
United States	\$ 539,775	\$ 430,998
Rest of North and South America	24,486	22,957
Europe	358,236	226,335
Japan	181,225	88,891
China	268,124	152,983
Rest of Asia	146,778	62,285
<b>Total revenue</b>	<b>\$ 1,518,624</b>	<b>\$ 984,449</b>

In the three-month periods ended February 3, 2018 and January 28, 2017, the predominant country comprising “Rest of North and South America” is Canada; the predominant countries comprising “Europe” are Germany, the Netherlands and Sweden; and the predominant countries comprising “Rest of Asia” are South Korea and Taiwan.

#### Note 8 – Fair Value

The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

*Level 1* — Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

*Level 2* — Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* — Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

The tables below, set forth by level, presents the Company’s financial assets and liabilities, excluding accrued interest components that are accounted for at fair value on a recurring basis as of February 3, 2018 and October 28, 2017. The tables exclude cash on hand and assets and liabilities that are measured at historical cost or any basis other than fair value. As of February 3, 2018 and October 28, 2017, the Company held \$306.0 million and \$296.2 million, respectively, of cash and held-to-maturity investments that were excluded from the tables below.

	February 3, 2018		
	Fair Value measurement at Reporting Date using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
<b>Assets</b>			
<b>Cash equivalents:</b>			
Available-for-sale:			
Government and institutional money market funds	\$ 391,726	\$ —	\$ 391,726
Corporate obligations (1)	—	129,784	129,784
<b>Other assets:</b>			
Deferred compensation investments	39,841	—	39,841
Interest rate derivatives	—	5,572	5,572
Forward foreign currency exchange contracts (2)	—	10,522	10,522
<b>Total assets measured at fair value</b>	<b>\$ 431,567</b>	<b>\$ 145,878</b>	<b>\$ 577,445</b>

- (1) The amortized cost of the Company's investments classified as available-for-sale as of February 3, 2018 was \$129.8 million.
- (2) The Company has master netting arrangements by counterparty with respect to derivative contracts. See Note 9, *Derivatives*, of these Notes to Condensed Consolidated Financial Statements for more information related to the Company's master netting arrangements.

	October 28, 2017		
	Fair Value measurement at Reporting Date using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
<b>Assets</b>			
<b>Cash equivalents:</b>			
Available-for-sale:			
Government and institutional money market funds	\$ 512,882	\$ —	\$ 512,882
Corporate obligations (1)	—	238,796	238,796
<b>Other assets:</b>			
Deferred compensation investments	33,510	—	33,510
Interest rate derivatives	—	2,966	2,966
<b>Total assets measured at fair value</b>	<b>\$ 546,392</b>	<b>\$ 241,762</b>	<b>\$ 788,154</b>
<b>Liabilities</b>			
Forward foreign currency exchange contracts (2)	—	1,527	1,527
<b>Total liabilities measured at fair value</b>	<b>\$ —</b>	<b>\$ 1,527</b>	<b>\$ 1,527</b>

- (1) The amortized cost of the Company's investments classified as available-for-sale as of October 28, 2017 was \$238.9 million.
- (2) The Company has master netting arrangements by counterparty with respect to derivative contracts. See Note 9, *Derivatives*, of these Notes to Condensed Consolidated Financial Statements for more information related to the Company's master netting arrangements.

In addition to the above, the Company has recognized contingent consideration payable at fair value (Level 3 measure) of \$7.7 million and \$7.8 million as of February 3, 2018 and October 28, 2017, respectively. The changes in fair value in those periods ended were not material.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

**Cash equivalents and short-term investments** — These investments are adjusted to fair value based on quoted market prices or are determined using a yield curve model based on current market rates.

**Deferred compensation plan investments** — The fair value of these mutual fund, money market fund and equity investments are based on quoted market prices.

**Forward foreign currency exchange contracts** — The estimated fair value of forward foreign currency exchange contracts, which includes derivatives that are accounted for as cash flow hedges and those that are not designated as cash flow hedges, is based on the estimated amount the Company would receive if it sold these agreements at the reporting date taking into consideration current interest rates as well as the creditworthiness of the counterparty for assets and the Company's creditworthiness for liabilities. The fair value of these instruments is based upon valuation models using current market information such as strike price, spot rate, maturity date and volatility.

**Interest rate derivatives** — The fair value of the interest rate derivatives is estimated using a discounted cash flow analysis based on the contractual terms of the derivative.

**Contingent consideration** — The fair value of the contingent consideration was estimated utilizing the income approach and is based upon significant inputs not observable in the market. The income approach is based on two steps. The first step

involves a projection of the cash flows that is based on the Company's estimates of the timing and probability of achieving the defined milestones. The second step involves converting the cash flows into a present value equivalent through discounting. The discount rate reflects the Baa costs of debt plus the relevant risk associated with the asset and the time value of money.

#### Financial Instruments Not Recorded at Fair Value on a Recurring Basis

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The carrying amounts of the term loans approximate fair value. The term loans are classified as Level 2 measurements according to the fair value hierarchy. The fair values of the senior unsecured notes are obtained from broker prices and are classified as Level 1 measurements according to the fair value hierarchy.

	February 3, 2018		October 28, 2017	
	Principal Amount Outstanding	Fair Value	Principal Amount Outstanding	Fair Value
3-Year term loan	\$ 1,530,000	1,530,000	1,950,000	1,950,000
5-Year term loan	2,100,000	2,100,000	2,100,000	2,100,000
2021 Notes, due December 2021	400,000	393,128	400,000	399,530
2023 Notes, due June 2023	500,000	489,917	500,000	498,582
2023 Notes, due December 2023	550,000	543,756	550,000	554,411
2025 Notes, due December 2025	850,000	866,552	850,000	884,861
2026 Notes, due December 2026	900,000	884,966	900,000	902,769
2036 Notes, due December 2036	250,000	258,660	250,000	259,442
2045 Notes, due December 2045	400,000	463,074	400,000	460,588
Total Debt	\$ 7,480,000	\$ 7,530,053	\$ 7,900,000	\$ 8,010,183

#### Note 9 – Derivatives

**Foreign Exchange Exposure Management** — The Company enters into forward foreign currency exchange contracts to offset certain operational and balance sheet exposures from the impact of changes in foreign currency exchange rates. Such exposures result from the portion of the Company's operations, assets and liabilities that are denominated in currencies other than the U.S. dollar, primarily the Euro; other significant exposures include the Philippine Peso, the Japanese Yen and the British Pound. These foreign currency exchange contracts are entered into to support transactions made in the normal course of business, and accordingly, are not speculative in nature. The contracts are for periods consistent with the terms of the underlying transactions, generally one year or less. Hedges related to anticipated transactions are designated and documented at the inception of the respective hedges as cash flow hedges and are evaluated for effectiveness monthly. Derivative instruments are employed to eliminate or minimize certain foreign currency exposures that can be confidently identified and quantified. As the terms of the contract and the underlying transaction are matched at inception, forward contract effectiveness is calculated by comparing the change in fair value of the contract to the change in the forward value of the anticipated transaction, with the effective portion of the gain or loss on the derivative reported as a component of accumulated OCI in shareholders' equity and reclassified into earnings in the same period during which the hedged transaction affects earnings. Any residual change in fair value of the instruments, or ineffectiveness, is recognized immediately in other (income) expense.

The total notional amount of forward foreign currency derivative instruments designated as hedging instruments of cash flow hedges denominated in Euros, British Pounds, Philippine Pesos and Japanese Yen as of February 3, 2018 and October 28, 2017 was \$205.9 million and \$194.3 million, respectively. The fair value of forward foreign currency derivative instruments designated as hedging instruments in the Company's condensed consolidated balance sheets as of February 3, 2018 and October 28, 2017 was as follows:

	Balance Sheet Location	Fair Value At	
		February 3, 2018	October 28, 2017
Forward foreign currency exchange contracts	Prepaid expenses and other current assets	\$ 8,593	\$ 257

Additionally, the Company enters into forward foreign currency contracts that economically hedge the gains and losses generated by the re-measurement of certain recorded assets and liabilities in a non-functional currency. Changes in the fair value of these undesignated hedges are recognized in other (income) expense immediately as an offset to the changes in the fair value of the asset or liability being hedged. As of February 3, 2018 and October 28, 2017, the total notional amount of these undesignated hedges was \$94.8 million and \$100.4 million, respectively. The fair value of these hedging instruments in the

Company's condensed consolidated balance sheets was an asset of \$1.9 million as of February 3, 2018 and a liability of \$1.8 million as of October 28, 2017.

All of the Company's derivative financial instruments are eligible for netting arrangements that allow the Company and its counterparties to net settle amounts owed to each other. Derivative assets and liabilities that can be net settled under these arrangements have been presented in the Company's condensed consolidated balance sheet on a net basis. As of February 3, 2018 and October 28, 2017, none of the master netting arrangements involved collateral. The following table presents the gross amounts of the Company's derivative assets and liabilities and the net amounts recorded in the Company's condensed consolidated balance sheet:

	February 3, 2018	October 28, 2017
Gross amount of recognized assets (liabilities)	\$ 11,645	\$ (5,039)
Gross amounts of recognized (liabilities) assets offset in the condensed consolidated balance sheet	(1,123)	3,512
Net assets (liabilities) presented in the condensed consolidated balance sheet	\$ 10,522	\$ (1,527)

*Interest Rate Exposure Management* — The Company's current and future debt may be subject to interest rate risk. The Company utilizes interest rate derivatives to alter interest rate exposure in an attempt to reduce the effects of these changes.

The market risk associated with the Company's derivative instruments results from currency exchange rate or interest rate movements that are expected to offset the market risk of the underlying transactions, assets and liabilities being hedged. The counterparties to the agreements relating to the Company's derivative instruments consist of a number of major international financial institutions with high credit ratings. Based on the credit ratings of the Company's counterparties as of February 3, 2018 and October 28, 2017, nonperformance is not perceived to be a significant risk. Furthermore, none of the Company's derivatives are subject to collateral or other security arrangements and none contain provisions that are dependent on the Company's credit ratings from any credit rating agency. While the contract or notional amounts of derivative financial instruments provide one measure of the volume of these transactions, they do not represent the amount of the Company's exposure to credit risk. The amounts potentially subject to credit risk (arising from the possible inability of counterparties to meet the terms of their contracts) are generally limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the obligations of the Company to the counterparties. As a result of the above considerations, the Company does not consider the risk of counterparty default to be significant.

The Company records the fair value of its derivative financial instruments in its condensed consolidated financial statements in other current assets, other assets or accrued liabilities, depending on their net position, regardless of the purpose or intent for holding the derivative contract. Changes in the fair value of the derivative financial instruments are either recognized periodically in earnings or in shareholders' equity as a component of OCI. Changes in the fair value of cash flow hedges are recorded in OCI and reclassified into earnings when the underlying contract matures and, for interest rate exposure derivatives, over the term of the corresponding debt instrument. Changes in the fair values of derivatives not qualifying for hedge accounting or the ineffective portion of designated hedges are reported in earnings as they occur.

For information on the unrealized holding gains (losses) on derivatives included in and reclassified out of accumulated other comprehensive income into the condensed consolidated statement of income related to forward foreign currency exchange contracts, see Note 4, *Accumulated Other Comprehensive Income (Loss)* of these Notes to Condensed Consolidated Financial Statements for further information.

## Note 10 – Goodwill and Intangible Assets

### Goodwill

The Company evaluates goodwill for impairment annually, as well as whenever events or changes in circumstances suggest that the carrying value of goodwill may not be recoverable. The Company tests goodwill for impairment at the reporting unit level, which we have determined is consistent with our operating segments, on an annual basis on the first day of the fourth quarter (on or about August 1) or more frequently if indicators of impairment exist or the Company reorganizes its reporting units. In the first quarter of fiscal 2018, the Company completed organizational changes designed to integrate the operations of Linear into the Company's organizational structure and to reflect the evolution of the Company's markets. The Company performed an impairment analysis immediately prior to and subsequent to the reorganization and evaluated goodwill for impairment as of the date of reorganization. The goodwill impairment test requires an entity to compare the fair value of a reporting unit with its carrying amount. The Company determines the fair value of its reporting units using a weighting of the income and market approaches. Under the income approach, the Company uses a discounted cash flow methodology which requires management to make significant estimates and assumptions related to forecasted revenues, gross profit margins,



operating income margins, working capital cash flow, perpetual growth rates, and long-term discount rates, among others. For the market approach, the Company uses the guideline public company method. Under this method, the Company utilizes information from comparable publicly traded companies with similar operating and investment characteristics as the reporting units, to create valuation multiples that are applied to the operating performance of the reporting unit being tested, in order to estimate their respective fair values. In order to assess the reasonableness of the calculated reporting unit fair values, the Company reconciles the aggregate estimated fair values of its reporting units determined to its current market capitalization, allowing for a reasonable control premium. If the carrying amount of a reporting unit, calculated using the above approaches, exceeds the reporting unit's fair value, an impairment loss is recognized for the amount of the carrying value that exceeds the amount of the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. Additionally, the Company considers income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. There was no impairment of goodwill in any period presented. The Company's next annual impairment assessment will be performed as of the first day of the fourth quarter of fiscal 2018 unless indicators arise that would require the Company to re-evaluate at an earlier date. The following table presents the changes in goodwill during the first three months of fiscal 2018:

	<b>Three Months Ended</b>	
	<b>February 3, 2018</b>	
<b>Balance as of October 28, 2017</b>	<b>\$</b>	<b>12,217,455</b>
Goodwill related to acquisition of Linear (Note 13)		1,647
Foreign currency translation adjustment		5,039
<b>Balance as of February 3, 2018</b>	<b>\$</b>	<b>12,224,141</b>

#### *Intangible Assets*

The Company reviews finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. Recoverability of these assets is determined by comparison of their carrying value to the estimated future undiscounted cash flows the assets are expected to generate over their remaining estimated useful lives. If such assets are considered to be impaired, the impairment to be recognized in earnings equals the amount by which the carrying value of the assets exceeds their estimated fair value determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique.

Indefinite-lived intangible assets are tested for impairment on an annual basis on the first day of the fourth quarter (on or about August 1) or more frequently if indicators of impairment exist. The impairment test involves a qualitative assessment on the indefinite-lived intangible assets to determine whether it is more likely-than not that the indefinite-lived intangible asset is impaired. If it is determined that the fair value of the indefinite-lived intangible asset is less than the carrying value, the Company would recognize into earnings the amount by which the carrying value of the assets exceeds the estimated fair value. No impairment of intangible assets resulted from the impairment tests in any of the fiscal years presented.

Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives or on an accelerated method of amortization that is expected to reflect the estimated pattern of economic use. In-process research and development (IPR&D) assets are considered indefinite-lived intangible assets until completion or abandonment of the associated research and development (R&D) efforts. Upon completion of the projects, the IPR&D assets are reclassified to technology-based intangible assets and amortized over their estimated useful lives.

As of February 3, 2018 and October 28, 2017, the Company's intangible assets consisted of the following:

	<b>February 3, 2018</b>		<b>October 28, 2017</b>	
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>
Customer relationships	\$ 4,688,167	\$ 553,710	\$ 4,683,461	\$ 449,369
Technology-based	1,097,078	137,034	1,097,025	101,920
Trade-name	72,800	9,559	72,800	6,906
IPR&D	24,613	—	24,334	—
<b>Total (1)(2)</b>	<b>\$ 5,882,658</b>	<b>\$ 700,303</b>	<b>\$ 5,877,620</b>	<b>\$ 558,195</b>

(1) Foreign intangible asset carrying amounts are affected by foreign currency translation.

(2) Increases in intangible assets primarily relate to the Acquisition and other acquisitions. See Note 13, *Acquisitions*, of these Notes to Condensed Consolidated Financial Statements for further information.

Intangible assets, along with the related accumulated amortization, are removed from the table above at the end of the fiscal year they become fully amortized.

For the three-month periods ended February 3, 2018 and January 28, 2017, amortization expense related to finite-lived intangible assets was \$142.1 million and \$19.9 million, respectively. The remaining amortization expense will be recognized over an estimated weighted average life of approximately 5.0 years.

The Company expects annual amortization expense for intangible assets to be:

<u>Fiscal Year</u>	<u>Amortization Expense</u>
Remainder of fiscal 2018	\$424,435
2019	\$563,097
2020	\$562,859
2021	\$562,438
2022	\$559,508

#### Note 11 – Debt

On November 10, 2017, the Company paid \$300.0 million of principal on its 3-year unsecured term loan using cash on hand as of October 28, 2017. This amount was not contractually due under the terms of the loan. As such, this amount was classified as current in the condensed consolidated balance sheet as of October 28, 2017. On January 10, 2018, the Company paid \$120.0 million of principal on its 3-year unsecured term loan. This amount was not contractually due under the terms of the loan. Subsequent to the close of the first quarter of fiscal 2018, on February 12, 2018, the Company paid \$50.0 million of principal on its 3-year unsecured term loan. This amount was not contractually due under the terms of the loan. As such this amount was classified as current in the condensed consolidated balance sheet as of February 3, 2018.

#### Note 12 – Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. The valuation of inventory requires the Company to estimate obsolete or excess inventory as well as inventory that is not of saleable quality. The Company employs a variety of methodologies to determine the net realizable value of its inventory. While a portion of the calculation to record inventory at its net realizable value is based on the age of the inventory and lower of cost or market calculations, a key factor in estimating obsolete or excess inventory requires the Company to estimate the future demand for its products. If actual demand is less than the Company's estimates, impairment charges, which are recorded to cost of sales, may need to be recorded in future periods. Inventory in excess of saleable amounts is not valued, and the remaining inventory is valued at the lower of cost or market.

Inventories at February 3, 2018 and October 28, 2017 were as follows:

	<u>February 3, 2018</u>	<u>October 28, 2017</u>
Raw materials	\$ 37,753	\$ 35,436
Work in process	359,809	376,476
Finished goods	162,158	138,904
Total inventories	<u>\$ 559,720</u>	<u>\$ 550,816</u>

#### Note 13 – Acquisitions

##### *Linear Technology Corporation*

On March 10, 2017 (Acquisition Date), the Company completed its acquisition of all of the voting interests of Linear, an independent manufacturer of high performance analog integrated circuits. The total consideration paid, which consisted of cash, common stock of the Company and share-based compensation awards, to acquire Linear was approximately \$15.8 billion. The Company believes that the combination creates the premier analog technology company with the industry's most comprehensive suite of high-performance analog offerings. The results of operations of Linear from the Acquisition Date are

included in the Company's condensed consolidated statements of income, condensed consolidated balance sheet, and condensed consolidated statement of cash flows for the three-month period ended February 3, 2018.

During the first quarter of fiscal 2018, the Company recorded acquisition accounting adjustments of \$1.6 million to goodwill comprised of \$4.7 million to intangible assets, \$2.7 million to accounts receivable, \$2.4 million to assumed liabilities and \$1.1 million to deferred tax liabilities. The Acquisition accounting is not complete and additional information that existed at the Acquisition Date may become known to the Company during the remainder of the measurement period. As of the filing date of this Quarterly Report on Form 10-Q, the Company is still in the process of valuing the assets acquired with Linear's business, including deferred income taxes.

The following unaudited pro forma consolidated financial information combines the unaudited results of the Company for the three-month period ended January 28, 2017 and the unaudited results of Linear for the three-month period ended January 28, 2017 and assumes that the Acquisition, which closed on March 10, 2017, was completed on November 1, 2015 (the first day of fiscal 2016). The pro forma consolidated financial information has been calculated after applying the Company's accounting policies and includes adjustments for amortization expense of acquired intangible assets, transaction-related costs, a step-up in the value of acquired inventory and property, plant and equipment, compensation expense for ongoing share-based compensation arrangements replaced and interest expense for the debt incurred to fund the Acquisition, together with the consequential tax effects. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the operating results of the Company that would have been achieved had the Acquisition actually taken place on November 1, 2015. In addition, these results are not intended to be a projection of future results and do not reflect events that may occur after the Acquisition, including but not limited to revenue enhancements, cost savings or operating synergies that the combined Company may achieve as a result of the Acquisition.

(thousands, except per share data)

	<b>Pro Forma Three Months Ended</b>	
	<b>January 28, 2017</b>	
Revenue	\$	1,362,447
Net income	\$	233,398
Basic net income per common share	\$	0.64
Diluted net income per common share	\$	0.63

#### *Other Acquisitions*

The Company has not provided pro forma results of operations for any other acquisitions completed in the three-month periods ended February 3, 2018 or January 28, 2017 herein as they were not material to the Company on either an individual or an aggregate basis. The Company included the results of operations of each acquisition in its consolidated statement of income from the date of each acquisition.

#### **Note 14 – Income Taxes**

The Company has provided for potential tax liabilities due in the various jurisdictions in which the Company operates. Judgment is required in determining the worldwide income tax provision. In the ordinary course of global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of cost reimbursement arrangements among related entities. Although the Company believes its estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in the historical income tax provisions and accruals. Such differences could have a material impact on the Company's income tax provision and operating results in the period in which such determination is made.

The Company's effective tax rate reflects the applicable tax rate in effect in the various tax jurisdictions around the world where the Company's income is earned. The Company's effective tax rate is generally lower than the U.S. federal statutory rate, primarily due to lower statutory tax rates applicable to the Company's operations in jurisdictions in which the Company earns a portion of its income.

The Tax Cuts and Jobs Act of 2017 (Tax Legislation), enacted on December 22, 2017, contains significant changes to U.S. tax law, including lowering the U.S. corporate income tax rate to 21.0%, implementing a territorial tax system, and imposing a one-time tax on deemed repatriated earnings of foreign subsidiaries. As of February 3, 2018, the Company has not completed its accounting for the tax effects of the enactment of the Tax Legislation. However, as described below the Company has made reasonable estimates of the effects on its existing deferred tax balances and the one-time transition tax.

The Tax Legislation reduces the U.S. statutory tax rate from 35.0% to 21.0%, effective January 1, 2018, which results in a blended statutory income tax rate for the Company of 23.4% for fiscal 2018. For the fiscal year ending November 2, 2019 (fiscal 2019), the Company's statutory income tax rate will be 21.0%.

During the three months ended February 3, 2018, the Company recorded a \$639.7 million discrete tax benefit for the remeasurement of deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21.0%. This provisional benefit is subject to revision based on further analysis and interpretation of the Tax Legislation and to the extent that future results differ from currently available projections.

The Tax Legislation also implements a territorial tax system. As part of transitioning to the territorial tax system, the Tax Legislation includes a one-time transition tax based on our total post-1986 undistributed foreign earnings and profits that were previously deferred from U.S. income tax. During the three-month period ended February 3, 2018, the Company recorded a provisional tax expense amount for the one-time transition tax of \$687.1 million, which is comprised of the \$751.1 million transition tax liability less a deferred tax liability of \$64.0 million recorded in prior years. This provisional estimate may be impacted by a number of additional considerations, including, but not limited to, the issuance of final tax regulations, the Company's ongoing analysis of the Tax Legislation, the Company's earnings and profits subject to the one-time transition tax, and estimated earnings and profits and foreign tax credit pools for fiscal 2018 as well as the amount of earnings and profits held in cash or other specified assets. The Company intends to elect to pay this transition tax starting in fiscal 2019 without incurring interest over a period of eight years. As a result, \$60.1 million of the transition tax is classified as current taxes payable and \$691.0 million is classified as non-current taxes payable.

The Company recorded a \$10.0 million discrete benefit for excess tax benefits from share-based payments, pursuant to ASU 2016-09, which became effective for fiscal 2018.

Additionally, the Tax Legislation subjects a U.S. shareholder to tax on global intangible low-taxed income (GILTI) earned by certain foreign subsidiaries for tax years starting on or after January 1, 2018. The FASB Staff Q&A, Topic 740, No. 5, *Accounting for Global Intangible Low-Taxed Income*, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI in the year the tax is incurred. The Company is still evaluating the effects of the GILTI provisions and has not yet determined its accounting policy relating to deferred taxes and as such, no tax impacts are included in the Company's financial statements for the three-month period ended February 3, 2018.

The Company historically asserted its intent to reinvest substantially all of its foreign earnings in foreign operations indefinitely. The Company is still in the process of analyzing the impact that the Tax Legislation has on its indefinite reinvestment assertion. Accordingly, no additional income taxes or withholding taxes have been provided for any remaining undistributed foreign earnings not subject to the transition tax, or any outside basis difference inherent in these entities.

On December 22, 2017, the Securities and Exchange Commission issued guidance under Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act* ("SAB 118") directing taxpayers to consider the impact of the Tax Legislation as "provisional" when it does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete its accounting for the change in tax law. In accordance with SAB 118, the amount reported for the tax benefit from remeasuring the Company's net deferred tax liabilities to the lower 21.0% statutory rate and the amount reported for the additional U.S. income tax resulting from the one-time mandatory deemed repatriation including the ongoing evaluation of the impact on the Company's indefinite reinvestment assertions regarding undistributed earnings and profits, represents the Company's best estimate as it continues to accumulate and process data to finalize its underlying calculations and to review further guidance that regulators are expected to issue. The Company is also analyzing other provisions of the Tax Legislation to determine if they will impact the Company's effective rate for fiscal 2018 or in the future. The Company will continue to refine its adjustments through the permissible measurement period, which is not to extend beyond one year after the enactment date.

Many of the provision in the Tax Legislation may have U.S. state and local income tax implications. While some states automatically adopt federal tax law changes, others may conform their laws on a specific date or may choose to decouple from the new federal tax law provisions. As such, the Company has not sufficiently analyzed the impact of the new Tax Legislation on its state and local income tax, and therefore did not record a provisional amount, but instead continues to apply Accounting Standards Codification Topic 740, *Income Taxes*, based on the provisions of the tax law that were in effect immediately prior to the Tax Legislation being enacted. The Company expects to complete its analysis of the effects on state and local income taxes on or before December 22, 2018 as allowed in SAB 118.

All of the Company's U.S. federal tax returns prior to fiscal year 2014 are no longer subject to examination. An IRS audit for the pre-acquisition fiscal year 2015 has been initiated for Linear.

All of the Company's Ireland tax returns prior to fiscal year 2012 are no longer subject to examination.

## **Note 15 – New Accounting Pronouncements**

### *Standards Implemented*

#### *Stock Compensation*

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for fiscal years, and interim periods within those annual periods, beginning after December 15, 2016 and allows for prospective, retrospective or modified retrospective adoption, depending on the area covered in the update, with early adoption permitted. The Company adopted ASU 2016-09 in the first quarter of fiscal 2018. The Company recorded excess tax benefits of \$10.0 million in the first quarter of fiscal 2018 from its share-based payments within income tax expense in its condensed consolidated statements of income. These excess tax benefits are presented within operating activities in the condensed consolidated statements of cash flows. The Company applied this change in presentation retrospectively and has adjusted the prior year presentation by removing the reclass of \$8.1 million of excess tax benefit-stock options from net cash provided by operating activities to net cash provided by financing activities. The Company elected not to change its policy on accounting for forfeitures and continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The adoption of ASU 2016-09 also changed the calculation of fully diluted shares outstanding for the three months ended February 3, 2018. The excess tax benefits have been excluded from the calculation of assumed proceeds in the Company's calculation of diluted weighted shares under the new standard. The Company's diluted weighted shares outstanding as of February 3, 2018 increased by approximately 1.0 million shares due to adoption of the new standard.

#### *Equity Method Investments*

In March 2016, the FASB issued ASU 2016-07, *Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting* (ASU 2016-07). ASU 2016-07 eliminates the requirement that when an investment, initially accounted for under a method other than the equity method of accounting, subsequently qualifies for use of the equity method, an investor must retrospectively apply the equity method in prior periods in which it held the investment. This requires an investor to determine the fair value of the investee's underlying assets and liabilities retrospectively at each investment date and revise all prior periods as if the equity method had always been applied. The new guidance requires the investor to apply the equity method prospectively from the date the investment qualifies for the equity method. The investor will add the carrying value of the existing investment to the cost of the additional investment to determine the initial cost basis of the equity method investment. ASU 2016-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years and early adoption is permitted. The Company adopted ASU 2016-07 in the first quarter of fiscal 2018. The adoption of ASU 2016-07 in the first quarter of fiscal 2018 did not impact the Company's financial position or results of operations.

#### *Inventory*

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330) - Simplifying the Measurement of Inventory* (ASU 2015-11), which simplifies the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The guidance applies only to inventories for which cost is determined by methods other than last-in first-out (LIFO) and the retail inventory method. The guidance in ASU 2015-11 is effective for fiscal years beginning after December 15, 2016 and early adoption is permitted. The Company adopted ASU 2016-07 in the first quarter of fiscal 2018. The adoption of ASU 2015-11 in the first quarter of fiscal 2018 did not impact the Company's financial position or results of operations.

### *Standards to Be Implemented*

#### *Business Combinations*

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805) Clarifying the Definition of a Business* (ASU 2017-01). ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. The Company will adopt ASU 2017-01 in the first quarter of the fiscal year ending November 2, 2019 (fiscal 2019). The impact of the adoption on the Company's financial position and results of operations will be dependent upon any future acquisitions or disposals.

### *Income Taxes*

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740)* (ASU 2016-16). ASU 2016-16 will require an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted as of the beginning of an annual reporting period for which financial statements have not been issued or made available for issuance. ASU 2016-16 is effective for the Company in the first quarter of fiscal 2019. The Company is currently evaluating the adoption date and the impact, if any, adoption will have on its financial position and results of operations.

### *Statement of Cash Flows*

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (ASU 2016-15). ASU 2016-15 provides guidance on several specific cash flow issues, including debt prepayment or extinguishment costs, settlement of certain debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of certain insurance claims and distributions received from equity method investees. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted in any interim or annual period. ASU 2016-15 is effective for the Company in the first quarter of fiscal 2019. The Company is currently evaluating the adoption date but does not expect the adoption of ASU 2016-15 to have a material impact on its consolidated financial statements.

### *Derivatives and Hedging*

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which amends and simplifies existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in the financial statements. ASU 2017-12 is effective for fiscal years beginning after December 15, 2018, including interim periods within those years. Early adoption is permitted. ASU 2017-12 is effective for the Company in the first quarter of the fiscal year ending October 31, 2020 (fiscal 2020). The Company is currently evaluating the adoption date and the impact, if any, adoption will have on its financial position and results of operations.

In March 2016, the FASB issued ASU 2016-06, *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments* (ASU 2016-06). ASU 2016-06 clarifies the requirements for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. An entity performing the assessment under ASU 2016-06 is required to assess the embedded call (put) options solely in accordance with the four-step decision sequence. ASU 2016-06 is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. ASU 2016-06 is effective for the Company in the first quarter of fiscal 2019. The Company is currently evaluating the adoption date and the impact, if any, adoption will have on its financial position and results of operations.

### *Leases*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize most leases on the balance sheet but recognize expenses on the income statement in a manner similar to current practice. The update states that a lessee will recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying assets for the lease term. Leases will continue to be classified as either financing or operating, with classification affecting the recognition, measurement and presentation of expenses and cash flows arising from a lease. In January 2018, the FASB issued ASU 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842* (ASU 2018-08). ASU 2018-01 permits an entity to elect an optional transition practical expedient to not evaluate land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840. ASU 2016-02 and ASU 2018-01 are effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. ASU 2016-02 and ASU 2018-01 are effective for the Company in the first quarter of fiscal 2020. The Company is currently evaluating the adoption date and the impact adoption will have on its financial position and results of operations.

### *Financial Instruments*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 requires a financial asset (or group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, and for interim periods within those fiscal years. ASU 2016-13 is effective for the Company in the first quarter of

fiscal 2020. The Company is currently evaluating the adoption date and the impact, if any, adoption will have on its financial position and results of operations.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). ASU 2016-01 requires equity investments to be measured at fair value with changes in fair value recognized in net income; simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments; requires separate presentation of financial assets and financial liabilities by measurement category and form of financial assets on the balance sheet or the accompanying notes to the financial statements and clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. ASU 2016-01 is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. ASU 2016-01 is effective for the Company in the first quarter of fiscal 2019. The Company is currently evaluating the impact adoption will have on its financial position and results of operations.

#### *Stock Compensation*

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* (ASU 2017-09). The new guidance clarifies when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. ASU 2017-09 is effective for fiscal years, and interim periods within those annual periods, beginning after December 15, 2017, with early adoption permitted. ASU 2017-09 is effective for the Company in the first quarter of fiscal 2019. The Company is currently evaluating the adoption date and the impact, if any, adoption will have on its financial position and results of operations.

#### *Revenue Recognition*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has issued several amendments and updates to the new revenue standard, including guidance related to when an entity should recognize revenue gross as a principal or net as an agent and how an entity should identify performance obligations. As amended, ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, which is the Company's first quarter of fiscal 2019. The Company has developed a project plan for the implementation of the guidance, including a review of all revenue streams to identify any differences in the timing, measurement or presentation of revenue recognition. The Company has reviewed its revenue streams and is nearing completion in assessing all potential impacts of the standard, including any impacts from recently issued amendments, and retrospectively adjusting financial information for prior fiscal years. The Company has also made progress on its impact assessment of the recent acquisition of Linear. While the Company is still in the process of completing its evaluation of the standard, it currently believes the most significant impact will be related to the timing of recognition of sales to certain distributors. As described in Note 2, *Revenue Recognition*, of these Notes to the condensed consolidated financial statements, the Company currently defers revenue and the related cost of sales on shipments to certain distributors until the distributors resell the products to their customers. Upon adoption of ASU 2014-09, the Company will no longer be permitted to defer revenue until sale by the distributor to the end customer, but rather, will be required to estimate the effects of returns and allowances provided to distributors and record revenue at the time of sale to the distributor. The Company is continuing to evaluate the future impact and method of adoption of ASU 2014-09 and related amendments on its consolidated financial statements and related disclosures. The Company will adopt ASU 2014-09, using the full retrospective method, upon its effective date for the Company which is the Company's first quarter of fiscal 2019.

#### **Note 16 – Subsequent Events**

On February 12, 2018, the Company paid \$50.0 million of principal on its 3-year unsecured term loan which was classified as current in the condensed consolidated balance sheet as of February 3, 2018.

On February 27, 2018, the Board of Directors of the Company declared a cash dividend of \$0.48 per outstanding share of common stock. The dividend will be paid on March 20, 2018 to all shareholders of record at the close of business on March 9, 2018.

## ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended October 28, 2017 (fiscal 2017).

This Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995 and other safe harbors under the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “may,” “could” and “will,” and variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections regarding our future financial performance; our anticipated growth and trends in our businesses; our future liquidity, capital needs and capital expenditures; our future market position and expected competitive changes in the marketplace for our products; our ability to pay dividends or repurchase stock; our ability to service our outstanding debt; our expected tax rate; the effect of changes in or the application of new or revised tax laws, including the recently passed Tax Cuts and Jobs Act of 2017 (Tax Legislation) in the U.S.; the effect of new accounting pronouncements; our ability to successfully integrate acquired businesses and technologies, including the integration of the acquired business, operations and employees of Linear Technology Corporation; and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are inherently subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified in Part II, Item 1A. “Risk Factors” and elsewhere herein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements, including to reflect events or circumstances occurring after the date of the filing of this report, except to the extent required by law.

### Results of Operations

(all tabular amounts in thousands except per share amounts and percentages)

#### Overview

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
Revenue	\$ 1,518,624	\$ 984,449	\$ 534,175	54%
Gross margin %	68.2%	65.9%		
Net income	\$ 268,172	\$ 217,129	\$ 51,043	24%
Net income as a % of revenue	17.7%	22.1%		
Diluted EPS	\$ 0.71	\$ 0.69	\$ 0.02	3%

The first quarter of the fiscal year ending November 3, 2018 (fiscal 2018) was a 14-week quarter and the first quarter of fiscal 2017 was a 13-week quarter. Therefore, the first quarter of fiscal 2018 includes an additional week of operations as compared to the first quarter of fiscal 2017.

#### Acquisition of Linear Technology Corporation

On March 10, 2017 (Acquisition Date), we completed the acquisition of Linear Technology Corporation (Linear), a designer, manufacturer and marketer of high performance analog integrated circuits. The total consideration paid to acquire Linear was approximately \$15.8 billion. The acquisition of Linear is referred to as the Acquisition. The condensed consolidated financial statements included in this Quarterly Report on Form 10-Q include the financial results of Linear prospectively from the Acquisition Date. See Note 13, *Acquisitions*, in the Notes to Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.



### Revenue Trends by End Market

The following tables summarize revenue by end market for the three-month periods ended February 3, 2018 and January 28, 2017. The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the “sold to” customer information, the “ship to” customer information and the end customer product or application into which our product will be incorporated. As data systems for capturing and tracking this data evolve and improve, the categorization of products by end market can vary over time. When this occurs, we reclassify revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	Three Months Ended					
	February 3, 2018			January 28, 2017		
	Revenue	% of Revenue*	Y/Y%	Revenue	% of Revenue*	
Industrial	\$ 743,623	49%	87 %	\$ 396,784	40%	
Automotive	252,170	17%	76 %	142,962	15%	
Consumer	238,506	16%	(12)%	270,293	27%	
Communications	284,325	19%	63 %	174,410	18%	
<b>Total revenue</b>	<b>\$ 1,518,624</b>	<b>100%</b>	<b>54 %</b>	<b>\$ 984,449</b>	<b>100%</b>	

\* The sum of the individual percentages may not equal the total due to rounding.

The Industrial end market included \$225.0 million of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. Industrial end market revenue increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of the Acquisition, a broad-based increase in demand for our products in this end market and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017. The Automotive end market included \$84.8 million of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. Automotive end market revenue increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of the Acquisition, a broad-based increase in demand for our products and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017. The Consumer end market revenue decreased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of a decreased demand for products used in portable consumer applications, partially offset by an increase in revenue due to the Acquisition and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017. The Communications end market included \$86.3 million of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. Communications end market revenue increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of the Acquisition and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017.

### Revenue Trends by Geographic Region

Revenue by geographic region, based upon the primary end customer location, for the three-month periods ended February 3, 2018 and January 28, 2017 were as follows:

Region	Three Months Ended				
	February 3, 2018	January 28, 2017	\$ Change	% Change	
United States	\$ 539,775	\$ 430,998	\$ 108,777	25%	
Rest of North and South America	24,486	22,957	1,529	7%	
Europe	358,236	226,335	131,901	58%	
Japan	181,225	88,891	92,334	104%	
China	268,124	152,983	115,141	75%	
Rest of Asia	146,778	62,285	84,493	136%	
<b>Total revenue</b>	<b>\$ 1,518,624</b>	<b>\$ 984,449</b>	<b>\$ 534,175</b>	<b>54%</b>	

In the three-month periods ended February 3, 2018 and January 28, 2017, the predominant country comprising “Rest of North and South America” is Canada; the predominant countries comprising “Europe” are Germany, the Netherlands and Sweden; and the predominant countries comprising “Rest of Asia” are South Korea and Taiwan.

On a regional basis, the United States and Rest of North and South America included \$95.4 million and \$2.4 million, respectively, of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. The sales increase in the United States in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily a result of the Acquisition, an increase in demand of our products sold into the Industrial end market, and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017, partially offset by a decrease in demand of our products sold into the Consumer end market. Europe and Japan included \$87.4 million and \$72.1 million of revenue, respectively, in the first quarter of fiscal 2018 as a result of the Acquisition. The sales increase in Europe and Japan in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily a result of the Acquisition, an increase in demand of our products sold into the Industrial end market, and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017. China included \$88.8 million of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. The sales increase in China in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily a result of the Acquisition, a broad-based increase in demand for our products sold into all end markets, and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017. The Rest of Asia included \$64.0 million of revenue in the first quarter of fiscal 2018 as a result of the Acquisition. The sales increase in the Rest of Asia in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily a result of the Acquisition, an increase in demand of our products sold into the Industrial end market, and an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017.

#### Gross Margin

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
Gross margin	\$ 1,035,190	\$ 648,504	\$ 386,686	60%
Gross margin %	68.2%	65.9%		

Gross margin percentage increased by 230 basis points in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of a mix shift in favor of higher margin products being sold resulting from the Acquisition and lower cost of sales resulting from favorable factory variances related to increased utilization at our manufacturing facilities. These increases were partially offset by additional costs related to Acquisition accounting adjustments recorded in the first quarter of fiscal 2018, including \$32.7 million related to amortization of developed technology intangible assets acquired and \$7.3 million of depreciation related to the write up of fixed assets to fair value.

#### Research and Development (R&D)

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
R&D expenses	\$ 288,597	\$ 183,954	\$ 104,643	57%
R&D expenses as a % of revenue	19.0%	18.7%		

R&D expenses increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year. Approximately \$87.8 million of the overall increase was a result of the Acquisition. The remainder of the increase was primarily the result of increases in operational spending and R&D employee and related benefit expenses as a result of an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017, partially offset by a decrease in variable compensation expense linked to our overall profitability and revenue growth.

R&D expenses as a percentage of revenue will fluctuate from year-to-year depending on the amount of revenue and the success of new product development efforts, which we view as critical to our future growth. We have hundreds of R&D projects underway, none of which we believe are material on an individual basis. We expect to continue the development of innovative technologies and processes for new products. We believe that a continued commitment to R&D is essential to maintain product leadership with our existing products as well as to provide innovative new product offerings. Therefore, we expect to continue to make significant R&D investments in the future.

#### Selling, Marketing, General and Administrative (SMG&A)

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
SMG&A expenses	\$ 176,908	\$ 130,659	\$ 46,249	35%
SMG&A expenses as a % of revenue	11.6%	13.3%		

SMG&A expenses increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year. Approximately \$45.8 million of the increase was a result of the Acquisition. The remainder of the increase was primarily the result of increases in SMG&A employee and related benefit expenses and operational spending as a result of an additional week of operations in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017, partially offset by a decrease in variable compensation expense linked to our overall profitability and revenue growth.

#### Amortization of Intangibles

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
Amortization expenses	\$ 107,019	\$ 18,160	\$ 88,859	489%
Amortization expenses as a % of revenue	7.0%	1.8%		

Amortization expenses increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, as a result of the purchase of intangible assets as part of the Acquisition.

#### Special Charges

We monitor global macroeconomic conditions on an ongoing basis and continue to assess opportunities for improved operational effectiveness and efficiency, as well as a better alignment of expenses with revenues. As a result of these assessments, we have undertaken various restructuring actions over the past several years, including special charges of \$16.1 million and \$8.1 million in the first quarter of fiscal 2018 and fiscal 2017, respectively, in an effort to reduce overall operating costs. In addition, in the first quarter of fiscal 2017 we took a special charge of \$41.3 million related to an early retirement offer action, which we expect to result in estimated annual salary, variable compensation, and employee benefit savings of approximately \$28.4 million once fully implemented.

In the first quarter of fiscal 2018, we recorded a special charge of \$41.2 million as a result of our decision to consolidate certain wafer and test facility operations acquired as part of the Acquisition. Over the next three to five years, we plan to close our Hillview wafer fabrication facility located in Milpitas, California and our Singapore test facility. We intend to transfer Hillview wafer fabrication production to our other internal facilities and to external foundries. In addition, we are planning to transition testing operations currently handled in our Singapore facility to our facilities in Penang, Malaysia and the Philippines, in addition to our outsourced assembly and test partners. The special charge taken as a result of this action consists of severance and related benefit costs. We expect this action will result in estimated annual salary, variable compensation and employee benefit savings of approximately \$60.0 million once fully implemented.

See Note 6, Special Charges, in the Notes to Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.

#### Operating Income

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
Operating income	\$ 405,348	\$ 266,268	\$ 139,080	52%
Operating income as a % of revenue	26.7%	27.0%		

The year-over-year increase in operating income in the three-month period ended February 3, 2018, was primarily the result of a \$386.7 million increase in gross margin partially offset by a \$104.6 million increase in R&D expenses, an \$88.9 million increase in amortization expenses, a \$46.2 million increase in SMG&A expenses, and a \$7.9 million increase in special charges as more fully described above under the headings *Gross Margin*, *Research and Development (R&D)*, *Amortization of Intangibles*, *Selling, Marketing, General and Administrative (SMG&A)* and *Special Charges*.

#### Nonoperating Expense (Income)

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	
Interest expense	\$ 68,030	\$ 42,614	\$ 25,416	
Interest income	(2,092)	(10,000)	7,908	
Other, net	556	345	211	
Total nonoperating expense	\$ 66,494	\$ 32,959	\$ 33,535	

The year-over-year increase in nonoperating expense in the three-month period ended February 3, 2018, was primarily the result of an increase in interest expense related to a 3-year unsecured term loan in the principal amount of \$2.5 billion and a 5-year unsecured term loan in the principal amount of \$2.5 billion entered into in the second quarter of fiscal 2017 and \$2.1 billion of senior unsecured notes issued in the first quarter of fiscal 2017 in connection with the Acquisition. The increase in interest expense was partially offset by a reduction in fees related to financing commitments which were entered into prior to the Acquisition and which terminated upon the Acquisition in the second quarter of fiscal 2017. The increase in nonoperating expense was also the result of a decrease in interest income as a result of lower invested cash balances in the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017.

*Provision for Income Taxes*

	Three Months Ended		
	February 3, 2018	January 28, 2017	\$ Change
Provision for income taxes	\$ 70,682	\$ 16,180	\$ 54,502
Effective income tax rate	20.9%	6.9%	

Our effective tax rate reflects the applicable tax rate in effect in the various tax jurisdictions around the world where our income is earned. Our effective income tax rate can also be impacted each year by discrete factors or events.

The tax rate for the three months ended February 3, 2018 was below our blended U.S. federal statutory tax rate of 23.4% for fiscal 2018 resulting from the passage of the Tax Cuts and Jobs Act of 2017 (Tax Legislation), primarily due to lower statutory tax rates applicable to our operations in the foreign jurisdictions in which we earn income. Additionally, our effective tax rate for the three-month period ended February 3, 2018 also includes a provisional estimate for a discrete tax benefit of \$639.7 million from remeasuring our U.S. deferred tax liabilities at the lower 21% statutory tax rate. It also includes a provisional estimate of the discrete tax charge of \$687.1 million from the Tax Legislation's one-time transition tax associated with our undistributed foreign earnings, which is comprised of the \$751.1 million transitional tax liability less a deferred tax liability of \$64.0 million recorded in prior years. Additionally, we recorded a \$10.0 million discrete benefit for excess tax benefits from share-based payments, pursuant to ASU 2016-09, which became effective for fiscal 2018. Similarly, the tax rate for the three-month period ended January 28, 2017 was below the then U.S. statutory tax rate of 35%, primarily due to lower statutory tax rates applicable to our operations in the foreign jurisdictions in which we earn income. Our effective tax rate for the three-month period ended January 28, 2017 included no material discrete items.

The Tax Legislation contains many provisions that are effective for tax years beginning on or after January 1, 2018. Because we are a fiscal year U.S. taxpayer, certain provisions, such as the global intangible low-taxed income tax and foreign-derived intangible income deduction on certain foreign-source income and new limitations on certain business deductions, will begin applying to us for our fiscal year ending November 2, 2019 (fiscal 2019). For fiscal 2018, the most significant impacts include a lower U.S. federal corporate income tax rate, a remeasurement of certain net deferred taxes to reflect the revised tax rates and a new transition tax on the deemed repatriation of certain foreign earnings. The phasing in of the lower corporate income tax rate results in a blended federal tax rate of 23.42% for fiscal 2018, compared with the previous 35% rate. The federal tax rate will be reduced to 21% in subsequent fiscal years.

Non-U.S. jurisdictions accounted for approximately 76.1% of our total revenues for the three-month period ended February 3, 2018. This revenue generated outside of the U.S. results in a material portion of our pretax income being taxed outside the U.S., primarily in Bermuda, Ireland and Singapore, at tax rates ranging from 0% to 33.3%. The Company has a partial tax holiday in Singapore through August 2019 and a partial tax holiday in Malaysia through July 2025. The impact on our provision for income taxes on income earned in foreign jurisdictions being taxed at rates different than the U.S. statutory rate was a benefit of approximately \$98.1 million and a foreign effective tax rate of approximately 6.5% in the three-month period ended February 3, 2018, compared to a benefit of approximately \$84.1 million and a foreign effective tax rate of approximately 4.8% in the three-month period ended January 28, 2017. A reduction in the ratio of domestic taxable income to worldwide taxable income effectively lowers our overall tax rate, due to the fact that the tax rates in the majority of foreign jurisdictions where we earn income are lower than the U.S. statutory rate. In addition, our effective income tax rate can be impacted each year by amounts for discrete factors or events, and acquisition-related accounting adjustments.

## Net Income

	Three Months Ended			
	February 3, 2018	January 28, 2017	\$ Change	% Change
Net Income	\$ 268,172	\$ 217,129	\$ 51,043	24%
Net Income as a % of revenue	17.7%	22.1%		
Diluted EPS	\$ 0.71	\$ 0.69		

Net income increased in the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, primarily as a result of a \$139.1 million increase in operating income, partially offset by a \$33.5 million increase in nonoperating expense, and a \$54.5 million increase in provision for income taxes.

## Liquidity and Capital Resources

At February 3, 2018, our principal source of liquidity was \$827.6 million of cash and cash equivalents and short-term investments, of which approximately \$368.9 million was held in the United States. The balance of our cash and cash equivalents and short-term investments was held outside the United States in various foreign subsidiaries. The Company continues to assert our intent to reinvest substantially all of its foreign earnings indefinitely, however we are in the process of analyzing the impact that the Tax Legislation has on this indefinite reinvestment assertion. As we intend to reinvest substantially all of our foreign earnings indefinitely at this time, certain cash held outside the United States is not available for repatriation as dividends to the United States. If such funds are needed for U.S. operations, we would be required to accrue and pay foreign withholding and U.S. state income taxes to the extent not already subject to taxation. Our cash and cash equivalents consist of highly liquid investments with maturities of three months or less, including money market funds. We maintain these balances with high credit quality counterparties, continually monitor the amount of credit exposure to any one issuer and diversify our investments in order to minimize our credit risk.

On the Acquisition Date, we borrowed under a term loan agreement consisting of a 3-year unsecured term loan in the principal amount of \$2.5 billion, due March 10, 2020 and a 5-year unsecured term loan in the principal amount of \$2.5 billion, due March 10, 2022. As of February 3, 2018, we have paid \$970.0 million of principal on the 3-year unsecured term loan and paid \$400.0 million of principal on the 5-year unsecured term loan.

We believe that our existing sources of liquidity and cash expected to be generated from future operations, together with existing and anticipated available long-term financing, will be sufficient to fund operations, capital expenditures, research and development efforts and dividend payments (if any) in the immediate future and for at least the next twelve months.

	Three Months Ended	
	February 3, 2018	January 28, 2017
Net cash provided by operating activities	\$ 388,688	\$ 322,594
Net cash provided by operations as a % of revenue	25.6%	32.8%
Net cash (used for) provided by investing activities	\$ (64,500)	\$ 1,769,754
Net cash (used for) provided by financing activities	\$ (548,026)	\$ 1,974,449

At February 3, 2018, cash and cash equivalents totaled \$827.6 million. The following changes contributed to the net decrease in cash and cash equivalents in the three-month period ended February 3, 2018 as compared to the same period in fiscal 2017.

### Operating Activities

Cash provided by operating activities is net income adjusted for certain non-cash items and changes in assets and liabilities.

The increase in cash provided by operating activities during the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily a result of changes in working capital, partially offset by lower net income adjusted for non-cash items, primarily resulting from changes to income taxes related to the Tax Legislation

### Investing Activities

Investing cash flows consist primarily of capital expenditures, investment purchases, maturities and sales of available-for-sale securities, as well as cash used for acquisitions.

The change in cash used for investing activities during the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily the result of a decrease in proceeds from the sale of available for sale securities.

#### Financing Activities

Financing cash flows consist primarily of payments of dividends to stockholders, repurchases of common stock, issuance and repayment of long-term debt, and proceeds from the sale of shares of common stock pursuant to employee equity incentive plans.

The change in cash used for provided by financing activities during the three-month period ended February 3, 2018, as compared to the same period of the prior fiscal year, was primarily due to a decrease in net proceeds of \$2.1 billion received from the issuance of senior unsecured notes and repayments of \$420.0 million of principal on the 3-year unsecured term loan.

#### Working Capital

	February 3, 2018	October 28, 2017	\$ Change	% Change
Accounts receivable, net	\$ 709,761	\$ 688,953	\$ 20,808	3%
Days sales outstanding*	45	43		
Inventory	\$ 559,720	\$ 550,816	\$ 8,904	2%
Days cost of sales in inventory*	113	104		

\* We use the average of the current quarter and prior quarter ending net accounts receivable and ending inventory balance in our calculation of days sales outstanding and days cost of sales in inventory, respectively. Cost of sales amounts used in the calculation of days cost of sales in inventory as of February 3, 2018 include Acquisition accounting adjustments related to the amortization of developed technology intangible assets acquired and depreciation related to the write up of fixed assets to fair value.

The increase in accounts receivable in dollars was primarily the result of higher product shipments in the first quarter of fiscal 2018 as compared to the fourth quarter of fiscal 2017.

The increase in inventory in dollars was primarily the result of our efforts to balance manufacturing production, demand and inventory levels. Our inventory levels are impacted by our need to support forecasted sales demand and variations between those forecasts and actual demand.

Current liabilities decreased to \$1.2 billion at February 3, 2018 from \$1.6 billion at the end of fiscal 2017. The decrease was primarily due to a decrease in the current portion of our debt and a decrease in accrued liabilities primarily as a result of decreases in accrued salaries and variable compensation and accrued interest relating to our outstanding debt.

As of February 3, 2018 and October 28, 2017, we had gross deferred revenue of \$656.3 million and \$589.5 million, respectively, and gross deferred cost of sales of \$126.8 million and \$115.5 million, respectively. Deferred income on shipments to distributors increased in the first three months of fiscal 2018, primarily as a result of higher demand for products sold into the channel. Sales to certain distributors are made under agreements that allow distributors to receive price-adjustment credits and to return qualifying products for credit, as determined by us, in order to reduce the amounts of slow-moving, discontinued or obsolete product from their inventory. Given the uncertainties associated with the levels of price-adjustment credits to be granted to certain distributors, the sales price to the distributors is not fixed or determinable until the distributors resell the products to their customers. Therefore, we defer revenue recognition from sales to distributors until the distributors have sold the products to their customers. The amount of price-adjustments is dependent on future overall market conditions, and therefore the levels of these adjustments could fluctuate significantly from period to period. To the extent that we experience a significant increase in the amount of credits we issue to our distributors, there could be a material impact on the ultimate revenue and gross margin recognized relating to these transactions.

#### Debt

As of February 3, 2018, we had \$7.4 billion of carrying value outstanding on our long-term debt. The difference in the carrying value of the debt and the principal is due to the unamortized discount and issuance fees on these instruments that will accrete to the face value over the term of the debt. Our debt obligations consist of the following:

*\$500.0 Million Aggregate Principal Amount of 2.875% Senior Unsecured Notes (2023 Notes)*

On June 3, 2013, we issued the 2023 Notes with semi-annual fixed interest payments due on June 1 and December 1 of each year, commencing December 1, 2013.

*\$850.0 Million Aggregate Principal Amount of 3.9% Senior Unsecured Notes (2025 Notes) and \$400.0 Million Aggregate Principal Amount of 5.3% Senior Unsecured Notes (2045 Notes)*

On December 14, 2015, we issued the 2025 Notes and the 2045 Notes with semi-annual fixed interest payments due on June 15 and December 15 of each year, commencing June 15, 2016.

*\$400 Million Aggregate Principal Amount of 2.5% Senior Unsecured Notes (2021 Notes), \$550 Million Aggregate Principal Amount of 3.125% Senior Unsecured Notes (December 2023 Notes), \$900 Million Aggregate Principal Amount of 3.5% Senior Unsecured Notes (2026 Notes) and \$250 Million Aggregate Principal Amount of 4.5% Senior Unsecured Notes (2036 Notes)*

On December 5, 2016, we issued the 2021 Notes, the December 2023 Notes, the 2026 Notes and the 2036 Notes with semi-annual fixed interest payments due on June 5 and December 5 of each year, commencing June 5, 2017.

The indentures governing the 2021 Notes, 2023 Notes, December 2023 Notes, 2025 Notes, 2026 Notes, 2036 Notes and 2045 Notes contain covenants that may limit our ability to: incur, create, assume or guarantee any debt for borrowed money secured by a lien upon a principal property; enter into sale and lease-back transactions with respect to a principal property; and consolidate with or merge into, or transfer or lease all or substantially all of our assets to, any other party. As of February 3, 2018, we were compliant with these covenants.

#### *\$5.0 Billion Aggregate Principal Term Loans*

On the Acquisition Date, we drew down on a 3-year unsecured term loan in the principal amount of \$2.5 billion, due March 10, 2020 and a 5-year unsecured term loan in the principal amount of \$2.5 billion, due March 10, 2022. The term loans bear interest at a rate per annum equal to the Eurodollar Rate plus a margin based on our debt ratings from time to time of between 0.75% and 1.63% in the case of the 3-year unsecured term loan, and a margin of between 0.88% and 1.75% in the case of the 5-year unsecured term loan. As of the February 3, 2018, we have paid \$970.0 million of principal on the 3-year unsecured term loan and paid \$400.0 million of principal on the 5-year unsecured term loan.

#### *Revolving Credit Facility*

We have a senior unsecured revolving credit facility with certain institutional lenders that expires on July 10, 2020. The agreement for such revolving credit facility (Credit Agreement) provides that we may borrow up to \$1.0 billion. To date, we have not borrowed under this credit facility, but we may borrow in the future and use the proceeds for repayment of existing indebtedness, stock repurchases, acquisitions, capital expenditures, working capital and other lawful corporate purposes. The terms of the Credit Agreement impose restrictions on our ability to undertake certain transactions, to create certain liens on assets and to incur certain subsidiary indebtedness. In addition, the Credit Agreement contains a consolidated leverage ratio covenant of total consolidated funded debt to consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) of not greater than 5.0 to 1.0. The debt covenant will be reduced over time to 3.0 to 1.0 starting in May 2018. As of February 3, 2018, we were compliant with these covenants.

#### *Stock Repurchase Program*

Our common stock repurchase program has been in place since August 2004. In the aggregate, our Board of Directors has authorized us to repurchase \$6.2 billion of our common stock under the program. Under the program, we may repurchase outstanding shares of our common stock from time to time in the open market and through privately negotiated transactions. Unless terminated earlier by resolution of our Board of Directors, the repurchase program will expire when we have repurchased all shares authorized under the program. As of February 3, 2018, we had repurchased a total of approximately 147.0 million shares of our common stock for approximately \$5.4 billion under this program. As of February 3, 2018, an additional \$792.5 million remains available for repurchase under the current authorized program. The repurchased shares are held as authorized but unissued shares of common stock. In connection with the Acquisition, we have temporarily suspended our share repurchase program. While we do not plan to resume share repurchases in the near term, we expect to continue repurchasing our common stock over the long-term. We also from time to time repurchase shares in settlement of employee minimum tax withholding obligations due upon the vesting of restricted stock units.

#### *Capital Expenditures*

Net additions to property, plant and equipment were \$63.2 million in the first three months of fiscal 2018 and were funded with a combination of cash on hand and cash generated from operations. We expect capital expenditures for fiscal 2018

to be in the range of \$230.0 million to \$270.0 million. These capital expenditures will be funded with a combination of cash on hand and cash generated from operations.

#### Dividends

On February 27, 2018, our Board of Directors declared a cash dividend of \$0.48 per outstanding share of common stock. The dividend will be paid on March 20, 2018 to all shareholders of record at the close of business on March 9, 2018 and is expected to total approximately \$178.2 million. We currently expect quarterly dividends to continue at \$0.48 per share, although they remain subject to determination and declaration by our Board of Directors. The payment of future dividends, if any, will be based on several factors, including our financial performance, outlook and liquidity.

#### Contractual Obligations

In the first quarter of fiscal 2018, we entered into a lease agreement for approximately 445,000 sq. ft. for a facility in Santa Clara, California. The lease term is through October 2030 and we expect to occupy the building beginning November 1, 2018.

The Tax Legislation, enacted on December 22, 2017, contains significant changes to U.S. tax law, including lowering the U.S. corporate income tax rate to 21.0%, implementing a territorial tax system, and imposing a one-time tax on deemed repatriated earnings of foreign subsidiaries. As part of transitioning to the territorial tax system, the Tax Legislation includes a one-time transition tax that we intend to elect to pay starting in fiscal 2019 without incurring interest over a period of eight years.

The following amounts were not previously reflected in the contractual obligations table contained in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended October 28, 2017:

(thousands)	Total	Payment due by period			
		Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
<b>Contractual obligations:</b>					
Transition tax (a)	\$ 751,128	\$ 60,090	\$ 120,180	\$ 120,180	\$ 450,678
Operating leases (b)	245,405	—	25,760	40,500	179,145
<b>Total</b>	<b>\$ 996,533</b>	<b>\$ 60,090</b>	<b>\$ 145,940</b>	<b>\$ 160,680</b>	<b>\$ 629,823</b>

(a) Provisional estimate of the one-time mandatory deemed repatriation tax on accumulated foreign subsidiaries' previously untaxed foreign earning, to be paid over a period of 8 years and will not accrue interest.

(b) This operating lease obligation includes escalation clauses. These escalating payment requirements are reflected in the table.

There have not been any other material changes during the three-month period ended February 3, 2018 to the amounts presented in the table summarizing our contractual obligations included in our Annual Report on Form 10-K for the fiscal year ended October 28, 2017.

#### New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) that are adopted by us as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards will not have a material impact on our future financial condition and results of operations. See Note 15, *New Accounting Pronouncements*, of the Notes to our Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of recently issued and adopted accounting pronouncements, including the dates of adoption and impact on our historical financial condition and results of operations.

#### Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States (U.S. GAAP). The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue and cash flows arising



from contracts with customers. The FASB has issued several amendments and updates to the new revenue standard, including guidance related to when an entity should recognize revenue gross as a principal or net as an agent and how an entity should identify performance obligations. As amended, ASU 2014-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, which is our first quarter of the fiscal 2019. We have developed a project plan for the implementation of the guidance, including a review of all revenue streams to identify any differences in the timing, measurement or presentation of revenue recognition. We have reviewed our revenue streams and are nearing completion in assessing all potential impacts of the standard, including any impacts from recently issued amendments, and retrospectively adjusting financial information for prior fiscal years under the full retrospective transition method. We have also made progress on our impact assessment of the Acquisition. While we are still in the process of completing our evaluation of the standard, we currently believe the most significant impact will be related to the timing of recognition of sales to certain distributors. As described in Note 2, *Revenue Recognition*, of the Notes to the Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, we currently defer revenue and the related cost of sales on shipments to certain distributors until the distributors resell the products to their customers. Upon adoption of ASU 2014-09, we will no longer be permitted to defer revenue until sale by the distributor to the end customer, but rather, will be required to estimate the effects of returns and allowances provided to distributors and record revenue at the time of sale to the distributor. We are continuing to evaluate the future impact and method of adoption of ASU 2014-09 and related amendments on our consolidated financial statements and related disclosures. We will adopt ASU 2014-09, using the full retrospective method, upon its effective date for us which is our first quarter of fiscal 2019.

### **Critical Accounting Policies and Estimates**

There were no material changes in the three-month period ended February 3, 2018 to the information provided under the heading “Critical Accounting Policies and Estimates” in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended October 28, 2017.

### ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

#### *Interest Rate Exposure*

In fiscal 2017, we borrowed \$2.5 billion of 3-year term loans and \$2.5 billion of 5-year term loans as part of the financing for the Acquisition. As of February 3, 2018, we have paid \$970.0 million of principal on the 3-year unsecured term loan and paid \$400.0 million of principal on the 5-year unsecured term loan. The term loans accrue interest at a floating rate, equal to the LIBOR rate corresponding with the tenor of the borrowing period plus the applicable spread (112.5 basis points for the 3-year term loan and 125 basis points for the 5-year term loan). Based on the \$3.6 billion of floating rate debt outstanding as of February 3, 2018, our annual interest expense would change by approximately \$16.3 million for each 100 basis point increase in interest rates.

There were no other material changes in the three-month period ended February 3, 2018 to the information provided under Item 7A. “Quantitative and Qualitative Disclosures about Market Risk” set forth in our Annual Report on Form 10-K for the fiscal year ended October 28, 2017.

### ITEM 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of February 3, 2018. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s (SEC) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of February 3, 2018, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) *Changes in Internal Control over Financial Reporting.* No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended February 3, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### ITEM 1A. Risk Factors

Set forth below and elsewhere in this report and in other documents we file with the Securities and Exchange Commission (SEC) are descriptions of certain risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also adversely affect our business. The description below includes any material changes to and supersedes the description of the risk factors affecting our business previously discussed in "Risk Factors" set forth in Item 1A of our Annual Report on Form 10-K for the fiscal year ended October 28, 2017.

*Our acquisition of Linear Technology Corporation (Linear) and the integration of its business, operations and employees with our own may be more difficult, costly or time consuming than expected, and the anticipated benefits and cost savings of the acquisition may not be fully realized, which could adversely impact our business operations, financial condition and results of operations.*

We completed the acquisition of Linear, which we refer to as the Acquisition, on March 10, 2017. The success of the Acquisition, including the achievement of anticipated benefits and cost savings of the Acquisition, is subject to a number of uncertainties and will depend, in part, on our ability to successfully combine and integrate Linear's business into our business in an efficient and effective manner. Potential difficulties the combined company may encounter in the integration process include the following:

- the inability to successfully integrate Linear's business into our own in a manner that permits the combined company to achieve the cost savings and operating synergies anticipated to result from the Acquisition, which could result in the anticipated benefits of the Acquisition not being realized partly or wholly in the time frame currently anticipated or at all;
- lost sales and customers as a result of certain customers of either or both of the two companies deciding not to do business with the combined company, or deciding to decrease their amount of business in order to reduce their reliance on a single company;
- loss of key management and technical personnel, particularly our experienced engineers;
- integrating personnel, IT systems and corporate, finance and administrative infrastructures of the two companies while maintaining focus on providing consistent, high quality products and services;
- coordinating and integrating our internal operations, compensation programs, policies and procedures, and corporate structures;
- potential unknown liabilities and unforeseen or increased costs and expenses;
- the possibility of faulty assumptions underlying expectations regarding potential synergies and the integration process;
- incurring significant Acquisition-related costs and expenses associated with combining our operations;
- performance shortfalls at one or both of the two companies as a result of the diversion of management's attention caused by integrating the companies' operations; and
- servicing the substantial debt that we have incurred in connection with the Acquisition.

Any of these factors could result in the combined company failing to realize the anticipated benefits of the Acquisition, on the expected timeline or at all, and could adversely impact our business operations, financial condition and results of operations.

*Disruptions in global credit and financial markets could materially and adversely affect our business and results of operations.*

Continuing uncertainty regarding the stability of global credit and financial markets may lead consumers and businesses to postpone spending, which may cause our customers to cancel, decrease or delay their existing and future orders for our products and make it difficult for us to accurately forecast and plan our future business activities. Significant disruption to global credit and financial markets may also adversely affect our ability to access external financing sources on acceptable terms. Financial difficulties experienced by our customers could result in nonpayment or payment delays for previously purchased products, thereby increasing our credit risk exposure. Uncertainty regarding the future stability of the global credit and financial markets could cause the value of the currency in the affected markets to deteriorate, thus reducing the purchasing power of those customers. In addition, financial difficulties experienced by our suppliers or distributors could result in product delays, increased accounts receivable defaults and inventory challenges. If economic conditions deteriorate, we may record additional charges relating to restructuring costs or the impairment of assets and our business and results of operations could be materially and adversely affected.

*Our future revenue, gross margins, operating results, net income and earnings per share are difficult to predict and may materially fluctuate.*

Our future revenue, gross margins, operating results, net income and earnings per share are difficult to predict and may be materially affected by a number of factors, including:

- the effects of adverse economic conditions in the markets in which we sell our products;
- changes in customer demand for our products and/or for end products that incorporate our products;
- the timing, delay, reduction or cancellation of significant customer orders and our ability to manage inventory;
- fluctuations in customer order patterns and seasonality;
- our ability to effectively manage our cost structure in both the short term and over a longer duration;
- changes in geographic, product or customer mix;
- changes in our effective tax rates or new or revised tax legislation in the United States, Ireland or worldwide;
- the timing of new product announcements or introductions by us, our customers or our competitors and the market acceptance of such products;
- pricing decisions and competitive pricing pressures;
- fluctuations in manufacturing yields, adequate availability of wafers and other raw materials, and manufacturing, assembly and test capacity;
- the ability of our third-party suppliers, subcontractors and manufacturers to supply us with sufficient quantities of raw materials, products and/or components;
- a decline in infrastructure spending by foreign governments, including China;
- a decline in the U.S. Government defense budget, changes in spending or budgetary priorities, a prolonged U.S. Government shutdown or delays in contract awards;
- any significant decline in our backlog;
- our ability to recruit, hire, retain and motivate adequate numbers of engineers and other qualified employees to meet the demands of our customers;
- our ability to generate new design opportunities and win competitive bid selection processes;
- the increasing costs of providing employee benefits, including health insurance, retirement plan and pension plan contributions and retirement benefits;
- our ability to utilize our manufacturing facilities at efficient levels;
- potential significant litigation-related costs or product warranty and/or indemnity claims, including those not covered by our suppliers or insurers;
- the difficulties inherent in forecasting future operating expense levels, including with respect to costs associated with labor, utilities, transportation and raw materials;
- the costs related to compliance with increasing worldwide government, environmental and social responsibility regulations;
- new accounting pronouncements or changes in existing accounting standards and practices; and
- the effects of public health emergencies, natural disasters, widespread travel disruptions, security risks, terrorist activities, international conflicts, government sanctions, changes in law, including executive orders, changes in import and export regulations and other events beyond our control.

In addition, the semiconductor market has historically been cyclical and subject to significant economic upturns and downturns. Our business and certain of the end markets we serve are also subject to rapid technological changes and material fluctuations in demand based on end-user preferences. There can be no assurance (i) that products stocked in our inventory will not be rendered obsolete before we ship them, or (ii) that we will be able to design, develop and produce products in a timely fashion to accommodate changing customer demand. As a result of these and other factors, we may experience material fluctuations in future revenue, gross margins, operating results, net income and earnings per share on a quarterly or annual basis. Our historical financial performance and results of operations should not be relied upon as indicators of future

performance or results. In addition, if our revenue, gross margins, operating results, net income and earnings per share results or expectations do not meet the expectations of securities analysts or investors, the market price of our common stock may decline.

*Increases in our effective tax rate and exposure to additional tax liabilities may adversely impact our results of operations.*

Our effective tax rate reflects the applicable tax rate in effect in the various tax jurisdictions around the world where our income is earned. Our effective tax rate for the first three months of fiscal 2018 was below our blended U.S. federal statutory rate of 23.4% calculated under the provisions of the new Tax Cuts and Jobs Act of 2017 (Tax Legislation) enacted on December 22, 2017. It was also below the U.S. statutory tax rate of 35% for fiscal 2017 under the previous tax laws. This is primarily due to lower statutory tax rates applicable to our operations in the foreign jurisdictions in which we earn income. A number of factors may increase our future effective tax rate, including: new or revised tax laws or legislation or the interpretation of such laws or legislation by governmental authorities; increases in tax rates in various jurisdictions; variation in the mix of jurisdictions in which our profits are earned and taxed; deferred taxes arising from basis differences in investments in foreign subsidiaries; any adverse resolution of ongoing tax audits or adverse rulings from taxing authorities worldwide; changes in the valuation of our deferred tax assets and liabilities; adjustments to income taxes upon finalization of various tax returns; increases in expenses not deductible for tax purposes, including executive compensation subject to the limitations of Section 162(m) of the Internal Revenue Code and amortization of assets acquired in connection with strategic transactions; decreased availability of tax deductions for stock-based compensation awards worldwide; and changes in available tax credits. In addition, we have a partial tax holiday through July 2025 in Malaysia and a partial tax holiday in Singapore through August 2019. The ability to extend such tax holidays beyond their dates of expiration cannot be assured. In addition, if we fail to meet certain conditions of the tax holidays, we may lose the benefit of the tax holidays and/or be subject to additional taxes and/or penalties. Any significant increase in our future effective tax rate could adversely impact our net income during future periods.

In addition, future tax reform and certain aspects of the Tax Legislation, which become effective in fiscal 2019 may result in changes to long-standing tax principles, which could adversely affect our effective tax rate or result in higher cash tax liabilities. On October 5, 2015, the Organization for Economic Cooperation and Development (OECD), an international association of thirty-five countries, including the United States, Ireland and UK, released the final reports from its Base Erosion and Profit Shifting (BEPS) Action Plans. The BEPS recommendations covered a number of issues, including country-by-country reporting, permanent establishment rules, transfer pricing rules and tax treaties. Additionally, as a result of the Tax Legislation, we recorded provisional estimates of the one-time adjustments for the re-measurement of deferred tax assets (liabilities) and the deemed repatriation tax on unremitted foreign earnings and profits. The final impact of the new tax law may differ from these estimates, possibly materially, due to, among other things, changes in interpretations and assumptions made, additional guidance that may be issued, unexpected negative changes in business and market conditions that could reduce certain tax benefits, and actions we take as a result of this new tax law.

*Long-term contracts are not typical for us, and incorrect forecasts or reductions, cancellations or delays in orders for our products could adversely affect our operating results.*

We typically do not have long-term sales contracts with our customers. In certain markets where end-user demand may be particularly volatile and difficult to predict, some customers place orders that require us to manufacture product and have it available for shipment, even though the customer is unwilling to make a binding commitment to purchase all, or even any, of the product. In other instances, we manufacture product based on forecasts of customer demands, which may fluctuate significantly on a quarterly or annual basis. Additionally, our U.S. government contracts and subcontracts may be funded in increments over a number of government budget periods and typically can be terminated by the government for its convenience. As a result, we may incur inventory and manufacturing costs in advance of anticipated sales, and we are subject to the risk of lower than expected orders or cancellations of orders, leading to a sharp reduction of sales and backlog. Further, orders or forecasts for products that meet the customer's unique requirements and that are canceled or unrealized orders would, in addition, result in an inventory of unsaleable products, causing potential inventory write-offs, and we may be unable to recover all of our costs incurred or committed. As a result of lengthy manufacturing cycles for certain of the products that are subject to these uncertainties, the amount of unsaleable product could be substantial. Incorrect forecasts, or reductions, cancellations or delays in orders for our products could adversely affect our operating results.

*Our future success depends upon our ability to execute our business strategy, continue to innovate, improve our existing products, design, develop, produce and market new products, and identify and enter new markets.*

Our future success significantly depends on our continued ability to execute our business strategy, continue to improve our existing products and design, develop, produce and market innovative new products. Product design, development, innovation and enhancement is often a complex, time-consuming and costly process involving significant investment in research and development, with no assurance of return on investment. There can be no assurance that we will be able to develop and introduce new and improved products in a timely or efficient manner or that new and improved products, if developed, will achieve market acceptance. Our products generally must conform to various evolving and sometimes

competing industry standards, which may adversely affect our ability to compete in certain markets or require us to incur significant costs. In addition, our customers generally impose very high quality and reliability standards on our products, which often change and may be difficult or costly to satisfy. Any inability to satisfy customer quality and reliability standards or comply with industry standards and technical requirements may adversely affect demand for our products and our results of operations. In addition, our growth is dependent on our ability to generate new design opportunities and win competitive bid selection processes. Failure to obtain or maintain a particular design win may prevent us from obtaining or maintaining design wins in subsequent generations of a particular product and could also weaken our position in future competitive selection processes. Our growth is also dependent on our ability to identify and penetrate new markets where we have limited experience and competition is intense. Some of our customers in new markets are less established, which could subject us to increased credit risk. There can be no assurance that the markets we serve and/or target based on our business strategy will grow in the future, that our existing and new products will meet the requirements of these markets, that our products, or the products in which our products are used, will achieve customer acceptance in these markets, that competitors will not force price reductions or take market share from us, or that we can achieve or maintain adequate gross margins or profits in these markets. Additionally, developing markets, such as the Internet of Things (IoT) and autonomous driving, require significant investments, resources and technological advancements in order to compete effectively and there can be no assurance that we will achieve success in these markets. Furthermore, a decline in demand in one or several of our end-user markets could have a material adverse effect on the demand for our products and our results of operations.

*We may not be able to compete successfully in markets within the semiconductor industry in the future.*

We face intense competition in the semiconductor industry, and we expect this competition to increase in the future, including from companies located outside of the United States. Competition is generally based on innovation, design, quality and reliability of products, product performance, features and functionality, product pricing, availability and capacity, technological service and support, and the availability of integrated system solutions, with the relative importance of these factors varying among products, markets and customers. Many companies have sufficient financial, manufacturing, technical, sales and marketing resources to develop and market products that compete with our products. Some of our competitors may have more advantageous supply or development relationships with our current and potential customers or suppliers. Our competitors also include emerging companies selling specialized products in markets we serve and entities outside of the U.S., including entities associated with efforts by foreign governments to create indigenous semiconductor industries. Existing or new competitors may develop products or technologies that more effectively address the demands of our customers and markets with enhanced performance, features and functionality, lower power requirements, greater levels of integration or lower cost. In addition, as we seek to expand our business, including the design and production of products and services for the IoT market, we may encounter increased competition from our current competitors and/or new competitors. Increased competition in certain markets has resulted in and may continue to result in declining average selling prices, reduced gross margins and loss of market share in those markets. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that our operating results will not be adversely affected by increased competition. In addition, the semiconductor industry has experienced significant consolidation over the past several years. Consolidation among our competitors could lead to a changing competitive landscape, which could negatively impact our competitive position and market share and harm our results of operations.

*We rely on third-party suppliers, subcontractors and manufacturers for some industry-standard wafers, manufacturing processes, assembly and test services, and transportation, and we generally cannot control their availability or conditions of supply.*

We rely, and plan to continue to rely, on third-party suppliers, assembly and test subcontractors, freight carriers and wafer fabricators (collectively, suppliers) to supply most of our products that can be manufactured using industry-standard processes. This reliance involves several risks, including reduced control over availability, capacity utilization, delivery schedules, manufacturing yields, and costs. We currently source approximately 48% of our wafer requirements annually from third-party wafer fabrication foundries, primarily Taiwan Semiconductor Manufacturing Company. In addition, these suppliers often provide manufacturing services to our competitors and therefore periods of increased industry demand may result in capacity constraints. In certain instances, the third-party supplier is the sole source of highly specialized processing services. If our suppliers are unable or unwilling to manufacture and deliver components to us on the time schedule and of the quality or quantity that we require or provide us with required manufacturing processes, we may be forced to seek to engage additional or replacement suppliers, which could result in additional expenses and delays in product development or shipment of product to our customers. If additional or replacement suppliers or manufacturing processes are not available, we may also experience delays in product development or shipment which could, in turn, result in the temporary or permanent loss of customers.

*A prolonged disruption of our internal manufacturing operations could have a material adverse effect on our business, financial condition and results of operations.*

In addition to leveraging an outsourcing model for manufacturing operations, we also rely on our internal manufacturing operations located in the United States, Ireland, the Philippines, Singapore and Malaysia. A prolonged disruption at, or inability

to utilize, one or more of our manufacturing facilities, loss of raw materials or damage to our manufacturing equipment for any reason, including due to natural or man-made disasters or other events outside of our control, such as widespread outbreaks of illness or the failure to maintain our labor force at one or more of these facilities, may disrupt our operations, delay production, shipments and revenue and result in us being unable to timely satisfy customer demand. As a result, we could forgo revenue opportunities, potentially lose market share and damage our customer relationships, all of which could materially and adversely affect our business, financial condition and results of operations.

*If we are unable to generate sufficient cash flow, we may not be able to service our debt obligations, including making payments on our outstanding term loans and senior unsecured notes.*

Our ability to make payments of principal and interest on our indebtedness when due, including the significant indebtedness that we have incurred in connection with the Acquisition, depends upon our future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our outstanding debt, we may be required to, among other things:

- seek additional financing in the debt or equity markets;
- refinance or restructure all or a portion of our indebtedness;
- borrow under our revolving credit facility;
- divert funds that would otherwise be invested in our operations;
- repatriate earnings as dividends that are indefinitely reinvested in foreign locations, attracting foreign withholding and U.S. state income taxes;
- sell selected assets; or
- reduce or delay planned capital expenditures or operating expenditures.

Such measures might not be sufficient to enable us to service our debt, which could negatively impact our financial results. In addition, we may not be able to obtain any such financing, refinancing or complete a sale of assets on economically favorable terms. In the case of financing or refinancing, favorable interest rates will be dependent on the health of the debt capital markets.

Our significant existing indebtedness could also have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions, reducing funds available for working capital, capital expenditures, acquisitions and other general corporate purposes or creating competitive disadvantages relative to other companies with lower debt levels.

*The markets for semiconductor products are cyclical, and increased production may lead to overcapacity and lower prices, and conversely, we may not be able to satisfy unexpected demand for our products.*

The cyclical nature of the semiconductor industry has resulted in periods when demand for our products has increased or decreased rapidly. The demand for our products is subject to the strength of our four major end markets of Industrial, Communications, Automotive and Consumer. If we expand our operations and workforce too rapidly or procure excessive resources in anticipation of increased demand for our products, and that demand does not materialize at the pace at which we expect, or declines, or if we overbuild inventory in a period of decreased demand, our operating results may be adversely affected as a result of increased operating expenses, reduced margins, underutilization of capacity or asset impairment charges. These capacity expansions by us and other semiconductor manufacturers could also lead to overcapacity in our target markets which could lead to price erosion that would adversely impact our operating results. Conversely, during periods of rapid increases in demand, our available capacity may not be sufficient to satisfy the demand. In addition, we may not be able to expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, locate suitable third-party suppliers, or respond effectively to changes in demand for our existing products or to demand for new products requested by our customers, and our current or future business could be materially and adversely affected.

*Our semiconductor products are complex and we may be subject to product warranty and indemnity claims, which could result in significant costs and damage to our reputation and adversely affect customer relationships, the market acceptance of our products and our operating results.*

Semiconductor products are highly complex and may contain defects when they are first introduced or as new versions are developed. Failures in our products and services or in the products of customers could result in damage to our reputation for reliability and increase our legal or financial exposure to third parties. Certain of our products and services could also contain security vulnerabilities, defects, bugs and errors, which could also result in significant data losses, security breaches and theft of intellectual property. We generally warrant our products to our customers for one year from the date title passes from us. We

invest significant resources in the testing of our products; however, if any of our products contain defects, we may be required to incur additional development and remediation costs pursuant to warranty and indemnification provisions in our customer contracts and purchase orders. These problems may divert our technical and other resources from other product development efforts and could result in claims against us by our customers or others, including liability for costs and expenses associated with product recalls, which may adversely impact our operating results. We may also be subject to customer indemnity claims. Our customers have on occasion been sued, and may be sued in the future, by third parties alleging infringement of intellectual property rights, or damages resulting from use of our products. Those customers may seek indemnification from us under the terms and conditions of our sales contracts with them. In certain cases, our potential indemnification liability may be significant. If any of our products contain defects, or have reliability, quality or compatibility problems, our reputation may be damaged, which could make it more difficult for us to sell our products to customers and could also adversely affect our operating results.

The fabrication of integrated circuits is highly complex and precise, and our manufacturing processes utilize a substantial amount of technology. Minute impurities, contaminants in the manufacturing environment, difficulties in the fabrication process, defects in the masks used in the wafer manufacturing process, manufacturing equipment failures, wafer breakage or other factors can cause a substantial percentage of wafers to be rejected or numerous dice on each wafer to be nonfunctional. While we have significant expertise in semiconductor manufacturing, it is possible that some processes could become unstable. This instability could result in manufacturing delays and product shortages, which could have a material adverse effect on our operating results.

*We are occasionally involved in litigation, including claims regarding intellectual property rights, which could be costly to litigate and could require us to redesign products or pay significant royalties.*

The semiconductor industry is characterized by frequent claims and litigation involving patent and other intellectual property rights, including claims arising under our contractual obligations to indemnify our customers. Other companies or individuals have obtained patents covering a variety of semiconductor designs and processes, and we might be required to obtain licenses under some of these patents or be precluded from making and selling infringing products, if those patents are found to be valid and infringed by us. In the event a third party makes a valid intellectual property claim against us and a license is not available to us on commercially reasonable terms, or at all, we could be forced either to redesign or to stop production of products incorporating that intellectual property, and our operating results could be materially and adversely affected. Litigation may be necessary to enforce our patents or other of our intellectual property rights or to defend us against claims of infringement, and this litigation could be costly and divert the attention of our key personnel. We could also be subject to litigation or arbitration disputes arising under our contractual obligations, as well as indemnity, warranty or product liability claims that could lead to significant costs and expenses as we defend those claims or pay damage awards. There can be no assurance that we are adequately insured to protect against all claims and potential liabilities, and we may elect to self-insure with respect to certain matters. An adverse outcome in litigation or arbitration could have a material adverse effect on our financial position or on our operating results or cash flows in the period in which the dispute is resolved.

*We may be unable to adequately protect our proprietary intellectual property rights, which may limit our ability to compete effectively.*

Our future success depends, in part, on our ability to protect our intellectual property. We primarily rely on patent, mask work, copyright, trademark and trade secret laws, as well as nondisclosure agreements and other methods, to protect our proprietary technologies and processes. Despite our efforts to protect our intellectual property, it is possible that competitors or other unauthorized third parties may obtain, copy, reverse engineer, use or disclose our technologies, products and processes. Moreover, the laws of foreign countries in which we design, manufacture, market and sell our products may afford little or no effective protection of our proprietary intellectual property.

There can be no assurance that the claims allowed in our issued patents will be sufficiently broad to protect our technology. In addition, any of our existing or future patents may be challenged, invalidated or circumvented. As such, any rights granted under these patents may not provide us with adequate protection. We may not be able to obtain foreign patents or pending applications corresponding to our U.S. patents and applications. Even if patents are granted, enforcement may not be available or achieved under the circumstances. If our patents and mask works do not adequately protect our technology, our competitors may be able to offer products similar to ours. Our competitors may also be able to develop similar technology independently or design around our patents.

We generally enter into confidentiality agreements with our employees, consultants and strategic partners. We also try to control access to and distribution of our technologies, documentation and other proprietary information. Despite these efforts, internal or external parties may attempt to copy, disclose, obtain or use our products or technology without our authorization. Also, former employees may seek employment with our business partners, customers or competitors, and there can be no assurance that the confidential nature of our proprietary information will be maintained in the course of such future employment.



*A significant disruption in, or breach in security of, our information technology systems could materially and adversely affect our business or reputation.*

We rely on information technology systems throughout our company to keep financial records and customer data, process orders, manage inventory, coordinate shipments to customers, maintain confidential and proprietary information, assist in semiconductor engineering and other technical activities and operate other critical functions such as Internet connectivity, network communications and email. Our information technology systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures, user errors, catastrophes or other unforeseen events. We also utilize external cloud providers for certain infrastructure activities. If we were to experience a prolonged disruption in the information technology systems that involve our internal communications or our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. We may also be subject to security breaches caused by computer viruses, illegal break-ins or hacking, sabotage, or acts of vandalism by third parties or our employees or contractors. Our security measures or those of our third party service providers may not detect or prevent security breaches, defects, bugs or errors. In addition, we provide our confidential and proprietary information to our strategic partners in certain cases where doing so is necessary to conduct our business. While we employ confidentiality agreements to protect such information, nonetheless those third parties may also be subject to security breaches or otherwise compromise the protection of such information. Security breaches of our information technology systems or those of our partners could result in the misappropriation or unauthorized disclosure of confidential and proprietary information belonging to us or to our employees, partners, customers or suppliers, which could result in our suffering significant financial or reputational damage.

*If we are unable to recruit or retain our key personnel, our ability to execute our business strategy will be adversely affected.*

Our continued success depends to a significant extent upon the recruitment, retention and effective succession of our executive officers and key management and technical personnel, particularly our experienced engineers. The competition for these employees is intense. The loss of the services of one or more of our key personnel could have a material adverse effect on our operating results. The inability to attract and retain key employees with critical technical skills to achieve our strategy could also have a material adverse effect on our business. In addition, there could be a material adverse effect on our business should the turnover rates for engineers and other key personnel increase significantly or if we are unable to continue to attract and retain qualified personnel. We do not maintain any key person life insurance policy on any of our officers or employees. *To remain competitive, we may need to invest in or acquire other companies, purchase or license technology from third parties, or enter into other strategic transactions in order to introduce new products or enhance our existing products.*

An element of our business strategy involves expansion through the acquisitions of businesses, assets, products or technologies that allow us to complement our existing product offerings, diversify our product portfolio, expand our market coverage, increase our engineering workforce, expand our technical skill sets or enhance our technological capabilities. We may not be able to find businesses that have the technology or resources we need and, if we find such businesses, we may not be able to invest in, purchase or license the technology or resources on commercially favorable terms or at all. Acquisitions, investments and technology licenses are difficult to identify and complete for a number of reasons, including the cost of potential transactions, competition among prospective buyers and licensees, the need for regulatory approvals, and difficulties related to integration efforts. In addition, investments in private companies are subject to a risk of a partial or total loss of our investment. Both in the U.S. and abroad, governmental regulation of acquisitions, including antitrust reviews and approvals, has become more complex, increasing the costs and risks of undertaking and consummating significant acquisitions. In order to finance a potential transaction, we may need to raise additional funds by issuing securities or borrowing money. We may not be able to obtain financing on favorable terms, and the sale of our stock may result in the dilution of our existing shareholders or the issuance of securities with rights that are superior to the rights of our common shareholders.

Acquisitions also involve a number of challenges and risks, including:

- difficulty or delay integrating acquired technologies, operations and personnel with our existing businesses;
- diversion of management's attention in connection with both negotiating the transaction and integrating the assets;
- strain on managerial and operational resources as management tries to oversee larger or more complex operations;
- the future funding requirements for acquired companies, which may be significant;
- potential loss of key employees;
- exposure to unforeseen liabilities or regulatory compliance issues of acquired companies;
- higher than expected or unexpected costs relating to or associated with an acquisition and integration of assets;
- difficulty realizing synergies and growth prospects of an acquisition in a timely manner or at all; and
- increased risk of costly and time-consuming legal proceedings.

If we are unable to successfully address these risks, we may not realize some or all of the expected benefits of the acquisition, which may have an adverse effect on our business strategy, plans and operating results.

*We rely on supplies, services and manufacturing capacity located in geologically unstable areas, which could affect our ability to produce products.*

We, like many companies in the semiconductor industry, rely on supplies, services, internal manufacturing capacity, wafer fabrication foundries and other subcontractors in geologically unstable locations around the world. Earthquakes, tsunamis, flooding or other natural disasters may disrupt local semiconductor-related businesses and adversely affect manufacturing capacity, availability and cost of key raw materials, utilities and equipment, and availability of key services, including transport of our products worldwide. Our insurance may not adequately cover losses resulting from such disruptions. Any prolonged inability to utilize one of our manufacturing facilities, or those of our subcontractors or third-party wafer fabrication foundries, as a result of fire, flood, natural disaster, unavailability of utilities or otherwise, could result in a temporary or permanent loss of customers for affected products, which could have a material adverse effect on our results of operations and financial condition.

*We are exposed to business, economic, political, legal, regulatory and other risks through our significant worldwide operations, which could adversely affect our business, financial condition and results of operations.*

We have significant operations and manufacturing facilities outside the United States, including in Ireland, the Philippines, Singapore and Malaysia. A significant portion of our revenue is derived from customers in international markets, and we expect that international sales will continue to account for a significant portion of our revenue in the future. Risks associated with our international business operations include the following:

- political, legal and economic changes or instability and civil unrest in foreign markets;
- currency conversion risks and exchange rate and interest rate fluctuations;
- trade and travel restrictions or government sanctions, including import or export tariffs or restrictions imposed by the U.S. government on trading with parties in foreign countries;
- complex, varying and changing government regulations and legal standards and requirements, particularly with respect to price protection, competition practices, export control regulations and restrictions, customs and tax requirements, immigration, anti-boycott regulations, data privacy, intellectual property, anti-corruption and environmental compliance, including U.S. customs and export regulations and restrictions, International Traffic in Arms Regulations and the Foreign Corrupt Practices Act;
- economic disruption from terrorism and threats of terrorism and the response to them by the U.S. and its allies;
- increased managerial complexities, including different employment practices and labor issues;
- greater difficulty enforcing intellectual property rights and weaker laws protecting such rights;
- natural disasters or pandemics;
- transportation disruptions and delays and increases in labor and transportation costs;
- changes to foreign taxes, tariffs and freight rates;
- fluctuations in raw material costs and energy costs;
- greater difficulty in accounts receivable collections and longer collection periods; and
- costs associated with our foreign defined benefit pension plans.

Any of these risks, or any other risks related to international business operations, could materially adversely affect our business, financial condition and results of operations.

Many of these risks are present in China. While we expect to continue to expand our business and operations in China, our success in the Chinese markets may be adversely affected by China's continuously evolving policies, laws and regulations, including those relating to taxation, import and export tariffs or restrictions, currency controls, antitrust, cybersecurity and data protection, the environment, indigenous innovation and the promotion of a domestic semiconductor industry, and intellectual property rights and enforcement and protection of those rights. Enforcement of existing laws or agreements may be inconsistent. In addition, changes in the political environment, governmental policies, international trade policies and relations, or U.S.-China relations could result in revisions to laws or regulations or their interpretation and enforcement, exposure of our proprietary intellectual property, increased taxation, and restrictions on imports, import duties or currency revaluations, which could have an adverse effect on our business plans and operating results.

At February 3, 2018, our principal source of liquidity was \$827.6 million of cash and cash equivalents and short-term investments, of which approximately \$368.9 million was held in the United States and the remaining balance was held outside the United States in various foreign subsidiaries. As we intend to reinvest substantially all of our foreign earnings indefinitely, certain cash held outside the United States is not available for repatriation as dividends to meet certain aspects of our cash requirements in the United States. We require a substantial amount of cash in the United States for operating requirements, stock repurchases, cash dividends and acquisitions. If we are unable to address our U.S. cash requirements through operations, borrowings under our current revolving credit facility, future debt or equity offerings or other sources of cash obtained at an acceptable cost, it may be necessary for us to consider repatriation of earnings that are indefinitely reinvested, and we may be required to accrue and pay foreign withholding and U.S. state income taxes under current tax laws as revised by the Tax Cuts and Jobs Act, which could have a material adverse effect on our results of operations and financial condition.

*Our operating results are dependent on the performance of independent distributors.*

A significant portion of our sales are through independent distributors that are not under our control. These independent distributors generally represent product lines offered by several companies and thus could reduce their sales efforts applied to our products or they could terminate their representation of us. We generally do not require letters of credit from our distributors and are not protected against accounts receivable default or declarations of bankruptcy by these distributors. Our inability to collect open accounts receivable could adversely affect our operating results. Termination of a significant distributor or a group of distributors, whether at our initiative or the distributor's initiative or through consolidation in the distribution industry, could disrupt our current business, and if we are unable to find suitable replacements, our operating results could be adversely affected. We have also recently reduced the number of distributors we use, which may exacerbate the foregoing risks.

*We are subject to environmental, health and safety (EHS) regulations, which could increase our expenses and affect our operating results.*

Our industry is subject to EHS requirements, particularly those environmental requirements that control and restrict the sourcing, use, transportation, emission, discharge, storage and disposal of certain chemicals, and materials used or produced in the semiconductor manufacturing process. Public attention to environmental, sustainability and social responsibility concerns continues to increase, and our customers routinely include stringent environmental and other standards in their contracts with us. Changes in EHS laws or regulations may require us to invest in costly equipment or make manufacturing process changes and may adversely affect the sourcing, supply and pricing of materials used in our products. In addition, we use hazardous and other regulated materials that subject us to risks of strict liability for damages caused by potential or actual releases of such materials. Any failure to control such materials adequately or to comply with existing or future EHS statutory or regulatory standards, requirements or contractual obligations could result in any of the following, each of which could have a material adverse effect on our business and operating results:

- liability for damages and remediation;
- the imposition of regulatory penalties and civil and criminal fines;
- the suspension or termination of the development, manufacture, sale or use of certain of our products;
- changes to our manufacturing processes or a need to substitute materials that may cost more or be less available;
- damage to our reputation; and/or
- increased expenses associated with compliance.

*If we fail to comply with government contracting regulations, we could suffer a loss of revenue or incur price adjustments or other penalties.*

Some of our revenue is derived from contracts with agencies of the United States government and subcontracts with its prime contractors. As a United States government contractor or subcontractor, we are subject to federal contracting regulations, including the Federal Acquisition Regulations, which govern the allowability of costs incurred by us in the performance of United States government contracts. Certain contract pricing is based on estimated direct and indirect costs, which are subject to change. Additionally, the United States government is entitled after final payment on certain negotiated contracts to examine all of our cost records with respect to such contracts and to seek a downward adjustment to the price of the contract if it determines that we failed to furnish complete, accurate and current cost or pricing data in connection with the negotiation of the price of the contract.

In connection with our United States government business, we are also subject to government audits and to review and approval of our policies, procedures, and internal controls for compliance with procurement regulations and applicable laws. In certain circumstances, if we do not comply with the terms of a contract or with regulations or statutes, we could be subject to downward contract price adjustments or refund obligations or could in extreme circumstances be assessed civil and criminal

penalties or be debarred or suspended from obtaining future contracts for a specified period of time. Any such suspension or debarment or other sanction could have an adverse effect on our business.

Under some of our government subcontracts, we are required to maintain secure facilities and to obtain security clearances for personnel involved in performance of the contract, in compliance with applicable federal standards. If we were unable to comply with these requirements, or if personnel critical to our performance of these contracts were unable to obtain or maintain their security clearances, we might be unable to perform these contracts or compete for other projects of this nature, which could adversely affect our revenue.

*Restrictions in our revolving credit facility, term loans and outstanding debt instruments may limit our activities.*

Our current revolving credit facility, term loans and outstanding debt instruments impose, and future debt instruments to which we may become subject may impose, restrictions that limit our ability to engage in activities that could otherwise benefit our Company, including to undertake certain transactions, to create certain liens on our assets and to incur certain subsidiary indebtedness. Our ability to comply with these financial restrictions and covenants is dependent on our future performance, which is subject to prevailing economic conditions and other factors, including factors that are beyond our control such as foreign exchange rates, interest rates and changes in technology, government regulations and the level of competition. In addition, our revolving credit facility requires us to maintain compliance with specified financial ratios. If we breach any of the covenants under our revolving credit facility, the indentures governing our outstanding senior unsecured notes, the term loans or any future debt instruments to which we may become subject and do not obtain appropriate waivers, then, subject to applicable cure periods, our outstanding indebtedness thereunder could be declared immediately due and payable or we may be restricted from further borrowing under our revolving credit facility.

*Our stock price may be volatile.*

The market price of our common stock has been volatile in the past and may be volatile in the future, as it may be significantly affected by factors including:

- global economic conditions generally;
- crises in global credit, debt and financial markets;
- actual or anticipated fluctuations in our revenue and operating results;
- changes in financial estimates or other statements made by securities analysts or others in analyst reports or other publications or our failure to perform in line with those estimates or statements or our published guidance;
- financial results and prospects of our customers;
- U.S. and foreign government actions;
- changes in market valuations of other semiconductor companies;
- rumors and speculation in the press, investment community or on social media about us, our customers or other companies in our industry;
- announcements by us, our customers or our competitors of significant new products, technical innovations, material transactions, acquisitions or dispositions, litigation, capital commitments or revised earnings estimates;
- departures of key personnel;
- alleged noncompliance with laws, regulations or ethics standards by us or any of our employees, officers or directors; and
- negative media publicity targeting us or our suppliers, customers or competitors.

The stock market has historically experienced volatility, especially within the semiconductor industry, that often has been unrelated to the performance of particular companies. These market fluctuations may cause our stock price to fall regardless of our operating results.

Our directors and executive officers periodically sell shares of our common stock in the market, including pursuant to Rule 10b5-1 trading plans. Regardless of the individual's reasons for such sales, securities analysts and investors could view such sales as a negative indicator and our stock price could be adversely affected as a result.

**ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds****Issuer Purchases of Equity Securities**

On March 10, 2017, we completed the acquisition of Linear Technology Corporation, an independent manufacturer of high performance analog integrated circuits, which we refer to as the Acquisition. In connection with the Acquisition, we have temporarily suspended our share repurchase program. The table below summarizes the activity related to stock repurchases for the three months ended February 3, 2018.

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (c)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 29, 2017 through November 25, 2017	14,963	\$ 91.16	—	\$ 792,501,619
November 26, 2017 through December 30, 2017	333	\$ 86.83	—	\$ 792,501,619
December 31, 2017 through February 3, 2018	68,021	\$ 96.10	—	\$ 792,501,619
Total	<u>83,317</u>	<u>\$ 95.17</u>	<u>—</u>	<u>\$ 792,501,619</u>

- (a) Consists of 83,317 shares withheld by us from employees to satisfy minimum employee tax obligations upon vesting of restricted stock units granted to our employees under our equity compensation plans.
- (b) The average price paid for shares in connection with vesting of restricted stock units are averages of the closing stock price at the vesting date which is used to calculate the number of shares to be withheld.
- (c) Shares repurchased pursuant to the stock repurchase program publicly announced on August 12, 2004. On February 15, 2016, the Board of Directors of the Company approved an increase to the current authorization for the stock repurchase program by \$600.0 million to \$1.0 billion in the aggregate. In the aggregate, our Board of Directors has authorized us to repurchase \$6.2 billion of our common stock under the program. Under the repurchase program, we may repurchase outstanding shares of our common stock from time to time in the open market and through privately negotiated transactions. Unless terminated earlier by resolution of our Board of Directors, the repurchase program will expire when we have repurchased all shares authorized for repurchase under the repurchase program.

ITEM 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1†	<a href="#">Letter between Analog Devices, Inc. and Steve Pietkiewicz, dated January 15, 2018.</a>
10.2†	<a href="#">Executive Performance Incentive Plan for the First and Second Quarters of Fiscal 2018.</a>
10.3†	<a href="#">Executive Performance Incentive Plan for the Third and Fourth Quarters of Fiscal 2018.</a>
10.4†	<a href="#">Form of Restricted Stock Unit Agreement for Directors for usage under the Company's Amended and Restated 2006 Stock Incentive Plan.</a>
10.5†	<a href="#">Form of Global Non-Qualified Stock Option Agreement for Employees for usage under the Company's Amended and Restated 2006 Stock Incentive Plan.</a>
10.6†	<a href="#">Form of Global Restricted Stock Unit Agreement for Employees for usage under the Company's Amended and Restated 2006 Stock Incentive Plan.</a>
10.7†	<a href="#">Form of Performance Restricted Stock Unit Agreement for Employees for usage under the Company's Amended and Restated 2006 Stock Incentive Plan.</a>
12.1†	<a href="#">Computation of Consolidated Ratios of Earnings to Fixed Charges.</a>
31.1†	<a href="#">Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).</a>
31.2†	<a href="#">Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).</a>
32.1†	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350 (Chief Executive Officer).</a>
32.2†	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350 (Chief Financial Officer).</a>
99.1†	<a href="#">Unaudited pro forma combined statement of income for the fiscal year ended October 28, 2017, which gives effect to the acquisition of Linear Technology Corporation as if it had occurred on October 30, 2016, and the related notes thereto.</a>
101.INS	XBRL Instance Document.**
101.SCH	XBRL Schema Document.**
101.CAL	XBRL Calculation Linkbase Document.**
101.LAB	XBRL Labels Linkbase Document.**
101.PRE	XBRL Presentation Linkbase Document.**
101.DEF	XBRL Definition Linkbase Document.**
†	Filed or furnished herewith.
**	Submitted electronically herewith.

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Income for the three months ended February 3, 2018 and January 28, 2017, (ii) Condensed Consolidated Statements of Comprehensive Income for the three months ended February 3, 2018 and January 28, 2017, (iii) Condensed Consolidated Balance Sheets at February 3, 2018 and October 28, 2017, (iv) Condensed Consolidated Statements of Cash Flows for the three months ended February 3, 2018 and January 28, 2017 and (v) Notes to Condensed Consolidated Financial Statements for the three months ended February 3, 2018.

**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 thereunto duly authorized.

ANALOG DEVICES, INC.

Date: February 28, 2018

By: /s/ VINCENT ROCHE

Vincent Roche  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: February 28, 2018

By: /s/ Prashanth Mahendra-Rajah

Prashanth Mahendra-Rajah  
Senior Vice President, Finance and Chief Financial Officer  
(Principal Financial Officer)

January 15, 2018

Name: Steve Pietkiewicz (40074)

RE: LTC Discretionary Bonus Program

Dear Steve,

I am writing to you as you have recently received awards under the LTC Discretionary Bonus Program, and to inform you that as we align our compensation programs, the LTC Discretionary Bonus Program will cease to operate effective May 5<sup>th</sup>, 2018.

As a participant in the plan, I am pleased to confirm that you will receive the following final cash awards under the LTC Discretionary Bonus Program as follows:

Jan 2018: \$401,300 (for the period Jul 1<sup>st</sup>, 2017 to Dec 31<sup>st</sup>, 2017)

May 2018: \$272,700 (for the period Jan 1<sup>st</sup>, 2018 to May 5<sup>th</sup>, 2018)

Additionally, in recognition of your contribution to the business, I am pleased to confirm that you will receive the following additional one-time awards:

<b>Date</b>	<b>Award Type</b>	<b>Amount USD</b>
Jun 2018	Cash Award	\$194,950
Jun 2018	Equity Award	\$389,900
Dec 2018	Cash Award	\$194,950
Jun 2019	Equity Award	\$389,900

The equity award will be issued in the form of Restricted Stock Units which will vest 25% per year over the next four years.

You must be actively employed at ADI at the time these awards are paid to receive them.

ADI is committed to rewarding our high performing employees, and as such our compensation programs, including Bonus Plan, Sales Incentive Plan, Equity Programs and Performance Award Programs, are designed to reward for top performance.

ADI and LTC have combined to form the premier Analog Technology Company, and I believe this provides us all with a unique opportunity to combine our strengths to unleash the potential we have. If we can grow our business, particularly our revenue and profit as I know we can, we will all benefit from the rewards.

I am truly excited by our future and I look forward to working with you as we take our business forward to the next level.

Should you have any questions on this, please do not hesitate to contact me.

Yours sincerely,

Vincent Roche

CEO and President



**Executive Performance Incentive Plan for the First and Second Quarters of Fiscal 2018**

On November 3, 2017, the Compensation Committee of the Board of Directors of Analog Devices, Inc. (the “Company”) approved the terms of the 2018 Executive Performance Incentive Plan for the First and Second Quarters of Fiscal 2018 (the “1Q and 2Q 2018 Executive Performance Incentive Plan”). All executive officers (excluding the Company’s Senior Vice President, Power Products) and other senior management selected by the Chief Executive Officer will participate in the 1Q and 2Q 2018 Executive Performance Incentive Plan. Bonus payments under the 1Q and 2Q 2018 Executive Performance Incentive Plan are calculated and paid as follows:

1. Each participant’s Bonus Target is obtained by multiplying his or her Base Salary by his or her Individual Target Bonus Percentage:

- Base Salary – the individual’s base pay during the applicable bonus period.
- Individual Target Bonus Percentage — a percentage of the individual’s Base Salary, determined individually for each participant by the Compensation Committee and ranging from 50% to 160%.

2. Each participant’s Bonus Target is then multiplied by the Bonus Payout Factor. The Bonus Payout Factor is equal to (A) 50% of the Bonus Payout Factor (as shown in the table below) based on the Company’s operating profit before tax (OPBT) as a percentage of revenue for the applicable quarter plus (B) 50% of the Bonus Payout Factor (as shown in the table below) based on the Company’s revenue growth for the applicable quarter compared to the same quarter in the prior fiscal year.<sup>1</sup> For purposes of the 1Q and 2Q 2018 Executive Performance Incentive Plan, the calculation of (i) OPBT as a percentage of revenue, and (ii) revenue growth will exclude the financial results of Linear Technology LLC. The calculations of revenue growth and OPBT as a percentage of revenue are adjustable by the Compensation Committee in its sole discretion to take account of special items, including but not limited to: restructuring-related expense, acquisition- or disposition-related items, non-recurring royalty payments or receipts, and other similar non-cash or non-recurring items. If OPBT is equal to or less than 20% of revenue for the applicable quarter, the Bonus Payout Factor shall be zero for that quarter, even if the Company has revenue growth for that quarter. The Bonus Payout Factor can range from 0% to 300%.

The following Bonus Payout Factor tables apply under the 1Q and 2Q 2018 Executive Performance Incentive Plan:

50% of Bonus Based on OPBT/Revenue	Bonus Payout Factor
20%	0%
30%	100%
35%	200%
40%	300%

  

50% of Bonus Based on Revenue Growth	Bonus Payout Factor
0%	0%
8%	100%
18%	200%
28%	300%

<sup>1</sup> In order to facilitate a comparison of fiscal quarters for purposes of the revenue growth element of the plan, all 14-week quarters will be normalized to a 13-week quarter.

The Bonus Payout Factor is determined quarterly and will be linearly interpolated between the values specified in the tables above. For example, if OPBT for a quarter is 32% of revenue (which would result in a Bonus Payout Factor of 140% for that element) and revenue growth for the quarter compared to the same quarter in the prior fiscal year was 11% (which would result in a Bonus Payout Factor of 130% for that element), then the Bonus Payout Factor for the quarter would be 135% which is the sum of 50% of the OPBT factor of 140% and 50% of the revenue growth factor of 130%. The Bonus Payout Factor is also used to determine the bonuses paid to all eligible employees under the Company's Analog Devices Performance Incentive Plan for the First and Second Quarters of Fiscal 2018.

A participant's bonus for a quarter shall be equal to the product obtained by multiplying a participant's Bonus Target for the quarter by the Bonus Payout Factor for that quarter. Each participant's Bonus Payment can range from zero to three times his or her Bonus Target.

3. Bonus payments, if any, under the 1Q and 2Q 2018 Executive Performance Incentive Plan will be calculated at the end of the first and second fiscal quarters and distributed after the first half of fiscal year 2018. The bonus payment for the first half of fiscal year 2018 will be paid on or before June 30, 2018.

4. Executives are eligible for a bonus payment beginning with their first full day of employment, so long as they remain actively employed by the Company on the applicable bonus payment date in June.

5. If the Company is required pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or otherwise by applicable law or regulation to develop and implement a policy providing for the recovery from a participant of any payment under the 1Q and 2Q 2018 Executive Performance Incentive Plan, the payment will be subject to recovery in accordance with such clawback policy.

**Executive Performance Incentive Plan for the Third and Fourth Quarters of Fiscal 2018**

On January 12, 2018, the Compensation Committee of the Board of Directors of Analog Devices, Inc. (the “Company”) approved the terms of the 2018 Executive Performance Incentive Plan for the Third and Fourth Quarters of Fiscal 2018 (the “3Q and 4Q 2018 Executive Performance Incentive Plan”). All executive officers (including the Company’s Senior Vice President, Power Products) and other senior management selected by the Chief Executive Officer will participate in the 3Q and 4Q 2018 Executive Performance Incentive Plan. Bonus payments under the 3Q and 4Q 2018 Executive Performance Incentive Plan are calculated and paid as follows:

1. Each participant’s Bonus Target is obtained by multiplying his or her Base Salary by his or her Individual Target Bonus Percentage:

- Base Salary – the individual’s base pay during the applicable bonus period.
- Individual Target Bonus Percentage — a percentage of the individual’s Base Salary, determined individually for each participant by the Compensation Committee and ranging from 50% to 160%.

2. Each participant’s Bonus Target is then multiplied by the Bonus Payout Factor. The Bonus Payout Factor is equal to (A) 50% of the Bonus Payout Factor (as shown in the table below) based on the Company’s operating profit before tax (OPBT) as a percentage of revenue for the applicable quarter plus (B) 50% of the Bonus Payout Factor (as shown in the table below) based on the Company’s revenue growth for the applicable quarter compared to the same quarter in the prior fiscal year.<sup>1</sup> The calculations of revenue growth and OPBT as a percentage of revenue are adjustable by the Compensation Committee in its sole discretion to take account of special items, including but not limited to: restructuring-related expense, acquisition- or disposition-related items, non-recurring royalty payments or receipts, and other similar non-cash or non-recurring items. If OPBT is equal to or less than 36% of revenue for the applicable quarter, the Bonus Payout Factor shall be zero for that quarter, even if the Company has revenue growth for that quarter. The Bonus Payout Factor can range from 0% to 300%.

The following Bonus Payout Factor tables apply under the 3Q and 4Q 2018 Executive Performance Incentive Plan:

50% of Bonus Based on OPBT/Revenue	Bonus Payout Factor
≤36%	0%
39%	100%
42%	200%
≥45%	300%

  

50% of Bonus Based on Revenue Growth	Bonus Payout Factor
≤0%	0%
5%	100%
10%	200%
≥15%	300%

<sup>1</sup> In order to facilitate a comparison of fiscal quarters for purposes of the revenue growth element of the plan, all 14-week quarters will be normalized to a 13-week quarter.

The Bonus Payout Factor is determined quarterly and will be linearly interpolated between the values specified in the tables above. For example, if OPBT for a quarter is 40.5% of revenue (which would result in a Bonus Payout Factor of 150% for that element) and revenue growth for the quarter compared to the same quarter in the prior fiscal year was 2.5% (which would result in a Bonus Payout Factor of 50% for that element), then the Bonus Payout Factor for the quarter would be 100% which is the sum of 50% of the OPBT factor of 150% and 50% of the revenue growth factor of 50%. The Bonus Payout Factor is also used to determine the bonuses paid to all eligible employees under the Company's Analog Devices Performance Incentive Plan for the Third and Fourth Quarters of Fiscal 2018.

A participant's bonus for a quarter shall be equal to the product obtained by multiplying a participant's Bonus Target for the quarter by the Bonus Payout Factor for that quarter. Each participant's Bonus Payment can range from zero to three times his or her Bonus Target.

3. Bonus payments, if any, under the 3Q and 4Q 2018 Executive Performance Incentive Plan will be calculated at the end of the third and fourth fiscal quarters and distributed after the second half of fiscal year 2018. The bonus payment for the second half of fiscal year 2018 will be paid on or before December 31, 2018.

4. Executives are eligible for a bonus payment beginning with their first full day of employment, so long as they remain actively employed by the Company on the applicable bonus payment date in December.

5. If the Company is required pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or otherwise by applicable law or regulation to develop and implement a policy providing for the recovery from a participant of any payment under the 3Q and 4Q 2018 Executive Performance Incentive Plan, the payment will be subject to recovery in accordance with such clawback policy.

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNIT AGREEMENT  
Private & Confidential (Addressee Only)**

{EMPNAME}

We are pleased to advise you (the "Participant") that Analog Devices, Inc., a Massachusetts corporation (the "Company"), has granted to the Participant Restricted Stock Units ("RSUs") on the terms and conditions set forth below (the "Award"). This Award reflects the Company's confidence in the Participant's commitment and contributions to the success and continued growth of the Company.

1. Restricted Stock Unit.

This Restricted Stock Unit Agreement (the "Agreement") confirms that, subject to the terms and conditions of the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the "Plan"), the Company has granted to the Participant, effective on the Date of Grant set forth below, that number of RSUs set forth below:

Date of Grant: {GRANTDATE}  
Number of RSUs Granted: {RSSHARESGRANTED}

Vesting Schedule: The RSUs shall vest on the earlier of {GRANTDATE+1} or the date of the Company's next annual meeting of shareholders, subject to the Participant's continued service as a member of the Company's Board of Directors (a "Director").

Each one (1) RSU shall, if and when it vests in accordance with this Award, automatically convert into one (1) share of common stock, US\$0.16 2/3 par value, of the Company ("Common Stock") issuable as provided below. The RSUs are subject to the vesting provisions set forth in Section 2, 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 Award, the RSUs shall vest in accordance with the schedule set forth in Section 1. For purposes of this Award, RSUs that have not vested as of any particular time in accordance with this Section 2(a) are referred to as "Unvested RSUs." The shares of Common Stock that are issuable upon the vesting and conversion of the RSUs are referred to in this Award as "Shares." As soon as administratively practicable after the issuance of any Shares upon the vesting and conversion of RSUs, and subject to the terms and conditions set forth herein, 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. 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 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 ceases to be a Director for any reason or no reason (other than due to death, Disability or otherwise as provided in the Plan or below), then in each such case, all of the Unvested 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 RSUs.

- (c) In the event the Participant dies while a Director of the Company, all Unvested RSUs shall vest in full as of the date of the Participant's death.
  - (d) In the event the Participant ceases to be a Director by reason of a Disability, the Unvested RSUs as of the date of the Participant ceases to be a Director shall vest in full as of such date. "Disability" with respect to the Participant occurs, when and if, as a result of disease, injury or mental disorder, the Participant is incapable of engaging in regular service with the Company, which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
  - (e) If the Participant becomes an employee of the Company and, in connection with such employment, ceases to serve as a Director of the Company, Unvested RSUs shall vest in accordance with the terms hereof until the date that the Participant's employment with the Company is terminated.
  - (f) Notwithstanding anything in the Plan or herein, all Unvested RSUs shall vest in full as of a Change in Control Event (as defined in the Plan).
  - (g) For purposes of this Award, employment with the Company shall include being an employee, consultant or advisor 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.
3. Restrictions on Transfer.
- (a) The Participant shall not sell, assign, transfer, pledge or otherwise encumber any RSUs, either voluntarily or by operation of law.
  - (b) The Company shall not be required (i) to transfer on its books any of the RSUs which have been transferred in violation of any of the provisions set forth herein or (ii) to treat as the owner of such RSUs any transferee to whom such RSUs have been transferred in violation of any of the provisions contained herein.
4. Not a Shareholder. The RSUs represent an unfunded, unsecured promise by the Company to deliver Shares upon vesting and conversion of the RSUs, and until vesting of the 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 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 RSUs for which the record date is on or before the date on which the Shares underlying the RSUs are issued to the Participant.
5. Provisions of the Plan. The RSUs and Shares, including the grant and issuance thereof, are subject to the provisions of the Plan.
6. Consideration. Any Shares that are issued and any cash payment that is delivered, in either case upon settlement of the RSUs pursuant to this Award, will be in consideration of the Participant's service as a member of the Board of Directors of the Company and/or his continued employment with the Company, which consideration is deemed sufficient.
7. Withholding Taxes.
- (a) Regardless of any action the Company 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 due by the Participant is and remains the Participant's

responsibility, and that the Company (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the subsequent sale of any Shares acquired pursuant to the RSUs and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items.

(b) Prior to the delivery of Shares upon the vesting of the RSUs, if any taxing jurisdiction requires withholding of Tax-Related Items, the Participant authorizes the Company to satisfy the obligations with regard to all Tax-Related Items by one or a combination of methods set forth below:

- i. the Company may withhold a sufficient number of whole Shares otherwise issuable upon the vesting of the RSUs that have an aggregate Fair Market Value (as defined under the Plan) 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 applicable vesting date). No fractional Shares will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder.
- 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.
- 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).

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates. 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 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 of Shares or through the Participant's salary or other amounts payable to the Participant, no Shares will be issued upon vesting of the 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 determines, in its sole discretion, must be withheld or collected with respect to such RSUs. By accepting this grant of 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 RSUs and any Shares delivered in payment thereof are the Participant's sole responsibility.

8. Option of Company to Deliver Cash. Notwithstanding any of the other provisions of this Award, where share settlement is otherwise prohibited under local law or may present adverse tax consequences to the Participant, at the time the 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 applicable vesting date). 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 7 herein.

9. **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 the underlying 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.
10. **Data Privacy.** *The Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the grant of the RSUs and the Participant's participation in the Plan, pursuant to applicable personal data protection laws. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan, and the Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's ability to participate in the Plan. As such, the Participant voluntarily acknowledges, consents and agrees (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.*

*The Company holds certain personal information about the Participant, including the Participant's name, home address, email address and telephone number, date of birth, social security number, passport number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The data processing will take place through electronic and non-electronic means according to logistics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation in the Plan.*

*The Company will transfer Data as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, the United States or elsewhere throughout the world. The Participant hereby authorizes (where required under applicable law) the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.*

*The Participant may, at any time, exercise the Participant's rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b)*



*verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Participant's local HR manager.*

11. Repatriation: Compliance with Laws. The Participant agrees, as a condition of the grant of the 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 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.
12. Miscellaneous.
  - (a) No Rights to Board Service. The grant of the RSUs shall not confer upon the Participant any right to continue to serve on the Board of Directors of the Company or, if applicable, as an employee of the Company or its subsidiaries, nor limit in any way the terms of the Participant's service on the Board of Directors, including for removal therefrom. Except in the event of a termination of employment due to death or Disability, the vesting of the RSUs pursuant to Section 2 hereof is earned only by satisfaction of the performance conditions, if any, and continuing service on the Board of Directors or as otherwise set forth in Section 2 (not through the act of being elected, hired or engaged or being granted the 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 grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of 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 service with the Company.
  - (c) Exclusion from Termination Indemnities and Other Benefits. The Participant's participation in the Plan is voluntary. The value of the RSUs and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's service on the Board of Directors of the Company. Any grant under the Plan, including the grant of the RSUs and the income and value of same, is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments. The grant of RSUs should in no event be considered as compensation for, or in any way related to, past services for the Company.
  - (d) Severability. The invalidity or unenforceability of any provision of this Award shall not affect the validity or enforceability of any other provision of this Award, and each other provision of this Award shall be severable and enforceable to the extent permitted by law.

- (e) Binding Effect. This Award 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 Award.
- (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 Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department. 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 Award 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 Award 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 Award 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) Interpretation. The interpretation and construction of any terms or conditions of this Award or the Plan, or other matters related to the Plan, by the Compensation Committee of the Board of the Company shall be final and conclusive.
- (k) Participant's Acceptance. The Participant is urged to read this Award carefully and to consult with his or her own legal counsel regarding the terms and consequences of this Award and the legal and binding effect of this Award. 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 Award and the provisions of the Plan.
- (l) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the 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.
- (m) Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, any Shares acquired pursuant to the 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.
- (n) Private Placement. The Company has submitted regulatory filings in the United States in connection with the stock incentive plan under which this Award was made. The Company has not submitted any registration statement, prospectus or other filings with other local securities authorities (unless otherwise required under such local law), and the grant of the Award is not intended to be a public offering of securities in any other jurisdiction or subject to the supervision of other local securities authorities.

- (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 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 of the Company.
- (p) Amendment. This Award may be amended or modified only by a written instrument executed by both the Company and the Participant.
- (q) 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.
- (r) 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, which may affect the Participant's ability to accept, acquire, sell, or otherwise dispose of Common Stock, rights to Common Stock (*e.g.*, 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 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 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.

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 or the Participant's regional stock plan administrator can provide the Participant with copies. If you have any questions regarding your Award, please contact the Stock Plan Administrator or Jeanne Weinzierl, Assistant Treasurer, at (781) 461-3622 or email [Jeanne.Weinzierl@Analog.com](mailto:Jeanne.Weinzierl@Analog.com).

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Ray Stata  
Chairman of the Board

Vincent Roche  
President & Chief Executive Officer

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT**

**Private & Confidential (Addressee Only)**

{EMPNAME}

{EMPNUM}

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. Amended and Restated 2006 Stock Incentive Plan (the "Plan"), and this Global Non-Qualified Stock Option Agreement, including Appendix A, which includes any applicable country-specific provisions. This Global Non-Qualified 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 the Company's Common Stock (the "Option Shares") effective on the Date of Grant set forth below:

**Date of Grant:** {GRANTDATE}

**Number of Option Shares Granted:** {SOSHARESGRANTED}

**Option Exercise Price Per Share:** {EXERCISEPRICE}

2. Vesting and Exercise of Option. Subject to the Optionee's continued employment with the Company or the Employer (as defined in 3(h) below) and other limitations set forth in this Agreement and the Plan, the Option will vest as to a set number of shares on each of the vesting dates set out in the following schedule:

{SOVESTSCHED}

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 {EXPDATE}, the expiration date, or such earlier date as provided in Section 3 below or in the country-specific provisions in Appendix A.

3. Term of Option; Termination of Employment.

- (a) The term of the Option is ten (10) years after the Date of Grant, subject, however, to the early termination provisions set forth herein.
- (b) Except as otherwise provided herein, the Option shall be exercisable by the Optionee (or his or her successor in interest) following the termination of the Optionee's employment only to the extent that the Option was vested on or prior to the date of such termination.
- (c) The vesting of the Option shall terminate on the date the Optionee voluntarily terminates employment with the Company or the Employer (as defined in Section 3(h))(except by reason of retirement after attaining age 60 as provided below) or on the date his or her employment is terminated by the Company or the Employer without "Cause" (as defined in paragraph (d)), but any 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.
- (d) The Option shall terminate on the date the Optionee's employment with the Company or the Employer is terminated by the Company or one of its subsidiaries 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 Company), willful misconduct, fraud, gross negligence, disobedience or dishonesty, or as otherwise determined under applicable law.

- (e) Upon the death of the Optionee while he or she is an employee of the Company or the Employer, the Option shall become immediately vested in full as to all shares on the date of death and shall continue to be exercisable (by the Optionee's successor in interest) over the remaining term of the Option.
  - (f) If the Optionee's employment with the Company or the Employer terminates by reason of the retirement of the Optionee after attaining age 60, the vesting of the Option shall terminate on the date of such retirement, but any Option that is vested on the date of such retirement shall continue to be exercisable over the remaining term of the Option; provided that all then-exercisable Options held by such Optionee shall immediately cease to be exercisable in the event that such Optionee becomes an employee of any competitor of the Company or the Employer (as determined in the sole discretion of the Company).
  - (g) If the Optionee becomes Disabled, regardless of whether Optionee terminates employment with the Company or the Employer, the Option shall vest and become exercisable in full on the date the Optionee is determined to be Disabled and shall continue to be exercisable until the date that is ten (10) years after the Date of Grant, at which time the Option shall terminate. "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 the Employer (as defined in paragraph (h)) which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
  - (h) 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 an Optionee transfer employment to become a director, consultant or advisor to the Company or the Employer following the Date of Grant, he or she will 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.
  - (i) Notwithstanding the provisions in this Section 3, if the Company or the Employer develops a good faith belief that any provision in this Section 3 may be found to be unlawful, discriminatory or against public policy in any relevant jurisdiction, then the Company in its sole discretion may choose not to apply such provision to this Option, nor any Option grant in the Optionee's jurisdiction.
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. This Option is subject to adjustment (including with respect to vesting of the Option Shares) upon certain changes in the Company's Common Stock and certain other events, including a Change in Control Event or a Reorganization Event, as provided in Section 11 of the Plan.
7. Withholding Taxes. Regardless of any action the Company or the Employer, if different, 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 actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (i) make 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) do 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 and/or the Employer (or former employer, as applicable) 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 and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Optionee's wages or other cash compensation paid to the Optionee by the Company and/or the Employer; 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 applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates. 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 or the Employer any amount of Tax-Related Items that the Company or the Employer 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. Nature of Grant. In accepting the Option, the Optionee acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted repeatedly in the past;
- (c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;
- (d) the Optionee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the Optionee's employment or service relationship (if any) at any time;
- (e) the Optionee is voluntarily participating in the Plan;
- (f) the Option and any Option Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;
- (g) the Option grant and the Optionee's participation in the Plan will not be interpreted to form or amend an employment or service contract or relationship with the Company or the Employer;
- (h) the future value of the Option Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;
- (i) if the underlying Option Shares do not increase in value, the Option will have no value;
- (j) if the Optionee exercises the Option and acquires Option Shares, the value of such Option Shares may increase or decrease in value, even below the Exercise Price;
- (k) for Optionees who reside outside the U.S. and/or the Company is not the Optionee's employer, the following additional provisions shall apply:
  - a. the Option and any Option Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation;

- b. the Option and any Option Shares acquired under the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of the Optionee's employment or service contract, if any;
  - c. the Optionee acknowledges and agrees that neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any Option Shares acquired upon exercise; and
  - d. no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Optionee's employment by the Company or the Employer (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or the terms of Optionee's employment agreement, if any) and in consideration of the grant of the Option to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees never to institute any claim against the Company or the Employer and waives his or her ability, if any, to bring such a claim, and releases the Company and the Employer from any such claim; if notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.
9. 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.
10. 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.
11. 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 Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department. 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.
12. 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.
13. 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.
14. 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.
15. 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 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 Optionee understands that the Company is under no obligation to register or qualify the Option 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 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.

16. 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 of the Company shall be final and conclusive.
17. 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.
18. 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.
19. Language. If the Optionee has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
20. 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.
21. Appendix. The Option shall be subject to any special provisions set forth in the Appendix for the Optionee's country of employment and/or residence, if any. If the Optionee relocates to one of the countries included in the Appendix during the life of the Option, the special provisions for such country shall apply to the Optionee, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.
22. 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.
23. Private Placement. The Company has submitted filings in the United States in connection with the stock incentive plan under which this Option was made. The Company has not submitted any registration statement, prospectus or other filings with other local securities authorities (unless otherwise required under such local law), and the grant of the Option is not intended to be a public offering of securities in any other jurisdiction or subject to the supervision of other local securities authorities.
24. Insider Trading Restrictions/Market Abuse Laws. The Optionee acknowledges that, depending on the Optionee's or the Optionee's broker's country of residence or where the Common Stock is listed, 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). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Optionee placed before possessing inside information. 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. Keep in mind third parties includes fellow employees. 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.
25. Foreign Asset/Account, Exchange Control, and Tax Reporting. Depending on the Optionee's country, the Optionee may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the exercise of the Option, the acquisition, holding, and/or transfer of Option Shares or cash resulting from participation in the Plan and/or the opening and maintenance of a brokerage or bank account in connection with the Plan. The Optionee may be required to report such assets, accounts, account balances and values and/or related transactions to the applicable authorities in his or her country. The Optionee acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements. The Optionee further understands that he or she should consult the Optionee's personal legal advisor on these matters.



26. 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 or any other 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 or the Optionee's regional stock plan administrator can provide the Optionee with copies.

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Ray Stata Vincent Roche  
Chairman of the Board President & Chief Executive Officer

## APPENDIX A

### AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT

This Appendix A includes additional terms and conditions that govern the Options granted to the Optionee if the Optionee resides and/or works in one of the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Capitalized terms used but not defined shall have the same meanings as set forth in the Plan and/or the Agreement.

This Appendix A also includes certain issues of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, income tax and other laws in effect in the respective countries as of November 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date when the Optionee exercises the Options or when the Option Shares purchased under the Plan are subsequently sold.

In addition, the information is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. Therefore, the Optionee should seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to his or her situation.

Finally, the Optionee understands that if he or she is a citizen or resident of a country other than the one in which the Optionee is currently working and/or residing, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Optionee, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

#### **TERMS AND CONDITIONS APPLICABLE TO OPTIONEES OUTSIDE THE U.S.**

**Data Privacy Information and Consent.** The Company is located at One Technology Way, Norwood, Massachusetts, 02062 U.S.A. and grants employees of the Company and its subsidiaries Options, at the Company's sole discretion. If the Optionee would like to participate in the Plan, please review the following information about the Company's data processing practices and declare the Optionee's consent.

- (a) **Data Collection and Usage.** The Company collects, processes and uses personal data of Optionees, including, name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of stock or directorships held in the Company, and details of all Options, canceled, vested, or outstanding in the Optionee's favor, which the Company receives from the Optionee or the Employer. If the Company offers the Optionee a grant of Options under the Plan, then the Company will collect the Optionee's personal data for purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of the Optionee's personal data would be his or her consent.
- (b) **Stock Plan Administration Service Providers.** The Company transfers participant data to Fidelity, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Optionee's data with another company that serves in a similar manner. The Company's service provider will open an account for the Optionee to receive and trade shares of Common Stock. The Optionee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Optionee's ability to participate in the Plan.
- (c) **International Data Transfers.** The Company and its service providers are based in the United States. If the Optionee is outside the United States, the Optionee should note that his or her country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program. The Company's legal basis for the transfer of the Employee's personal data is his or her consent.
- (d) **Data Retention.** The Company will use the Optionee's personal data only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Optionee's personal data, which will generally be seven years after the Optionee is granted Options under the Plan, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.
- (e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** The Optionee's participation in the Plan and the Optionee's grant of consent is purely voluntary. The Optionee may deny or withdraw his or her consent at any time. If the Optionee does not consent, or if the

Optionee withdraws his or her consent, the Optionee cannot participate in the Plan. This would not affect the Optionee's salary as an employee or his or her career; the Optionee would merely forfeit the opportunities associated with the Plan.

- (f) Data Subject Rights. The Optionee has a number of rights under data privacy laws in his or her country. Depending on where the Optionee is based, the Optionee's rights may include the right to (a) request access or copies of personal data the Company processes, (b) rectification of incorrect data, (c) deletion of data, (d) restrictions on processing, (e) portability of data, (f) to lodge complaints with competent authorities in the Optionee's country, and/or (g) a list with the names and addresses of any potential recipients of the Optionee's personal data. To receive clarification regarding the Optionee's rights or to exercise the Optionee's rights please contact the Company at Analog Devices, Inc., One Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department.

If the Optionee resides in a European Economic Area or European Union member state and agrees with the data processing practices described in this notice, the Optionee declares the his or her consent by clicking "Accept Your Grant" on the Accepting Your Grants page on Fidelity's participant website.

Language. The Optionee acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement.

## **AUSTRIA**

Exchange Control Information. If the Optionee holds Option Shares acquired under the Plan outside Austria (even if he or she holds them outside Austria with an Austrian bank), then the Optionee understands that he or she must submit an annual report to the Austrian National Bank using the form "Standmeldung/Wertpapiere." An exemption applies if the value of the securities held outside Austria as of December 31 does not exceed €5,000,000 or the value of the securities as of any quarter does not exceed €30,000,000. If the former threshold is exceeded, then the annual reporting obligations are imposed, whereas if the latter threshold is exceeded, then quarterly reports must be submitted. The deadline for filing the annual report is January 31 of the following year.

When the Option Shares are sold, there may be exchange control obligations if the cash received is held outside Austria, as a separate ongoing reporting requirement may apply to non-Austrian accounts. If the transaction value of all cash accounts abroad is less than €10,000,000, then no ongoing reporting requirements apply. However, if the transaction volume of all of the Optionee's cash accounts abroad meets or exceeds €10,000,000, then the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, using the form "Meldungen SI-Forderungen und/oder SI-Verpflichtungen."

## **BELGIUM**

Taxation of Option. You will not be permitted to accept your Options until after 60 days from the offer date. If you accept your Options within 60 days of the offer date, you will be deemed to have accepted your Option after the 60th day from the offer date. Therefore, your Options will not be subject to Belgian tax until they are exercised by you.

Foreign Asset / Account Reporting Information. The Optionee is required to report any securities (e.g., Option Shares) or bank accounts opened and maintained outside Belgium on his or her annual tax return. In a separate report, certain details regarding such foreign accounts (including the account number, bank name and country in which such account was opened) must be reported to the Central Contact Point of the National Bank of Belgium. The forms to complete this report are available on the website of the National Bank of Belgium.

Stock Exchange Tax. A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when Option Shares acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

## **CANADA**

Securities Law Information. The Optionee is permitted to sell Option Shares acquired through the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of Option Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Option Shares are listed. The Option Shares are currently listed on the Nasdaq Global Select Market.

Payment of Exercise Price and Withholding Taxes. Notwithstanding anything in the Agreement or the Plan, the Optionee agrees to pay the Exercise Price and any Tax-Related Items solely by means of (i) cash, which may be paid by check, or other instrument acceptable to the Company or (ii) a broker-assisted cashless exercise, whereby the broker sells some or all of the Option Shares to be issued upon exercise to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items. To the extent that tax regulatory requirements change, the

Company reserves the right to permit the Optionee to exercise the Option and pay the Exercise Price and any applicable Tax-Related Items in Option Shares to the extent permitted by the Plan.

**Termination of Employment.** The following supplements Section 3 of the Agreement (except Section 3(g) regarding disability) as well as any other section required to give effect to the same:

In the event of termination of the Optionee's employment for any reason (other than by reason of the Optionee's death), either by the Optionee or by the Employer, with or without cause, the Optionee's right to vest or continue to vest in the Option under the Plan, if any, will terminate as of the actual Date of Termination. For this purpose, "Date of Termination" shall mean the last day on which the Optionee is actively employed by the Employer, and shall not include or be extended by any period following such day during which the Optionee is in receipt of or eligible to receive any notice of termination, pay in lieu of notice of termination, severance pay or any other payments or damages, whether arising under statute, contract or at common law.

**Foreign Asset / Account Reporting Information.** Foreign property (including cash held outside Canada or Option Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the cost of such foreign property exceeds C\$100,000 at any time during the year. Foreign property may also include the unvested portion of the Options. The Options must be reported (generally at a nil cost) if the \$100,000 cost threshold is exceeded because of other foreign property the Optionee holds. If Option Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Option Shares. The ACB would normally equal the fair market value of the Option Shares at exercise, but if the Optionee owns other shares, this ACB may have to be averaged with the ACB of the other shares. If due, the Form must be filed by April 30 of the following year. The Optionee should consult with his or her personal tax advisor to determine the reporting requirements.

*The following terms and conditions apply if the Optionee is in Quebec:*

**Data Privacy.** This provision supplements the Data Privacy Information and Consent provision in the Terms and Conditions for Optionees Outside the U.S. set forth above:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Optionee further authorizes the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Optionee further authorizes the Company and the Employer to record such information and to keep such information in the Optionee's employee file.

**French Language Acknowledgment.** This provision supplements Section 19 of the Agreement:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

## **CHINA**

**Vesting.** Notwithstanding anything to the contrary in the Plan or the Agreement, the Options will not vest and no Option Shares will be issued to the Optionee unless and until all necessary exchange control or other approvals with respect to the Options under the Plan have been obtained from the China State Administration of Foreign Exchange ("SAFE") or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the Options are scheduled to vest in accordance with the vesting schedule set forth in the Agreement, the Options will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Optionee's status as a service provider terminates prior to the Actual Vesting Date, the Optionee shall not be entitled to vest in any portion of the Options and the Options shall be forfeited without any liability to the Company, the Employer or any subsidiary or affiliate of the Company.

**Payment of Exercise Price.** The following supplements Section 4 of the Agreement:

Due to regulatory requirements in the PRC, the Optionee will be required to exercise the Option using a broker assisted cashless sell-all exercise method pursuant to which all Option Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of sale, less any broker's fees or commissions, will be remitted to the Optionee. The Optionee will not be permitted to hold Option Shares after exercise. The Optionee understands and agrees that the Tax-Related Items with respect to the exercise of the Options may be taken by the Employer from the Optionee's salary or other cash compensation. The Optionee acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Option Shares pursuant to the cashless sell-all exercise method at any particular price. The Company reserves the right to provide additional methods of exercise depending on the development of local law.

**Exchange Control Requirements.** Due to exchange control laws in the PRC, if the Optionee is a PRC national he or she will be required to repatriate the proceeds from the cashless sell-all exercise to the PRC. The Optionee understands and agrees that such cash proceeds must be repatriated to the PRC through a special exchange control account established by the Company, the Employer, or a subsidiary of the Company, and the Optionee hereby consents and agrees that any proceeds from the sale of Option Shares may be transferred to such special account prior to being delivered to the Optionee.

Further, notwithstanding Section 3(e) or 3(g) of the Agreement, if the Optionee terminates employment with the Company or the Employer due to death or the Optionee becomes Disabled as determined by the Company, the vesting of the Option shall accelerate on the date of such termination or determination of disability, and the Option shall continue to be exercisable for a period of three (3) months (or such other period as may be required by the SAFE) following the termination date due to death or disability. If the Optionee or the Optionee's heirs do not exercise the Option within three (3) months (or such other period as may be required by the SAFE) of the Optionee's death or date of termination in the event of disability, the Option will be forfeited and the Optionee or the Optionee's heirs will not be able to exercise the Option.

The Optionee understands and agrees that there will be a delay between the date the Option Shares are sold and the date the cash proceeds are distributed to the Optionee. The Optionee also understands and agrees that the Company is not responsible for any currency fluctuation that may occur between the date the Option Shares are sold and the date the cash proceeds are distributed to the Optionee. The Optionee further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in the PRC.

## **DENMARK**

**Danish Stock Option Act.** By participating in the Plan, the Optionee acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act and is attached hereto as Appendix B. To the extent more favorable to the Optionee and required to comply with the Stock Option Act, the terms set forth in the Employer Statement will apply to the Optionee's participation in the Plan.

**Notice of Grant.** This provision supplements Section 8 in the Agreement:

By accepting the Option, the Optionee acknowledges, understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

**Exchange Control and Tax Information.** The Optionee may hold Option Shares acquired under the Plan in a safety-deposit account (e.g., a brokerage account) either with a Danish bank or with an approved foreign broker or bank. If the Option Shares are held with a non-Danish broker or bank, the Optionee is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, the Optionee must file a Declaration V (Erklaering V) with the Danish Tax Administration. The Form V must be signed by the Optionee and may be signed by the bank/broker. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Optionee acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Option Shares acquired at vesting and held in such account to the Danish Tax Administration as part of the Optionee's annual income tax return. By signing the Declaration V, the Optionee at the same time authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: [www.skat.dk/getFile.aspx?Id=47392](http://www.skat.dk/getFile.aspx?Id=47392).

In addition, if the Optionee opens a deposit account or brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, the Optionee must also file a Declaration K (Erklaering K) with the Danish Tax Administration. Both the Optionee and the bank/broker must sign the Declaration K, unless an exemption from the broker/bank signature requirement is granted by the Danish Tax Administration. It is possible to seek the exemption on the Form K, which the Optionee should do at the time he or she submits the Form K. By signing the Declaration K, the Optionee (and the bank/broker to the extent the exemption is not granted) undertakes an obligation, without further request each year (no later than on February 1 of the year following the calendar year to which the information relates), to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Optionee acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Optionee's annual income tax return. By signing the Declaration K, the Optionee at the same time authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: [www.skat.dk/getFile.aspx?Id=42409&newwindow=true](http://www.skat.dk/getFile.aspx?Id=42409&newwindow=true).

**Foreign Asset / Account Reporting Information.** If the Optionee establishes an account holding Option Shares or cash outside Denmark, the Optionee must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (Please note that these obligations are separate from and in addition to the obligations described above.)

## **EGYPT**

**Exchange Control Information.** If the Optionee transfers funds out of or into Egypt in connection with the exercise of the Option or remits proceeds from the sale of Option Shares, the Optionee is required to transfer the funds through a registered bank in Egypt.

## **FINLAND**

There are no country-specific provisions.

## **FRANCE**

**French Qualified Option.** This Option is intended to qualify for favorable tax and social security treatment applicable to stock options granted under Section L.225-177 to L.225-186-1 of the French Commercial Code, as amended and in accordance with the relevant provisions set forth by the French tax and social security laws and the French tax and social security administrations. The Company does not undertake to maintain the qualified status of this Option. The Optionee understands and agrees that he or she will be responsible for paying personal income tax and the Optionee's portion of social security contributions resulting from the exercise of this Option in the event this Option loses its qualified status and the Optionee will not be entitled to any damages if the Option no longer qualifies as French-qualified Option.

**Plan Terms.** The Options are subject to the terms and conditions of the Plan and the Rules of the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan for Grants of Options to Optionees in France (the "French Sub-plan"). To the extent that any term is defined in both the Plan and the French Sub-plan, for purposes of this grant of a French-qualified Option, the definitions in the French Sub-plan shall prevail.

**Option Exercise Price Per Share.** With respect to Section 1 of the Agreement, the Date of Grant shall be the Effective Grant Date set forth in the French Sub-plan and the Option Exercise Price Per Share as of the Effective Grant Date shall be no less than the minimum amount required under French law as set forth in the French Sub-plan.

**Expiration.** This provision replaces Section 3(a) of the Agreement:

Notwithstanding Section 3(a) of the Agreement, the Option will expire 9½ years after the Effective Grant Date ({FRENCHEXPDATE}), as defined in the French Sub-plan.

**Termination Upon Death.** This provision replaces Section 3(e) of the Agreement:

If the Optionee's employment is terminated because of death, the unvested portion of the Optionee's Option will immediately vest and become exercisable by the Optionee's estate or heirs on the termination date for a period of six (6) months following the Optionee's death. If the Optionee's heirs do not exercise the Option within six (6) months of the Optionee's death, the Option will be forfeited and the Optionee's heirs will not be able to exercise the Option.

**Language Consent.** By accepting this Option, the Optionee confirms having read and understood the documents relating to this Option (e.g., the Plan, the French Sub-plan, and the Agreement, including Appendix A) which were provided in the English language. The Optionee accordingly accepts the terms of those documents.

**Consentement a la Langue.** *En signant et renvoyant cet Accord, ou par acceptant autrement l'Accord, le Titulaire de l'Option confirme ainsi avoir lu et compris les documents relatifs à l'Option, (c'est-à-dire, Le Plan, Le Plan pour la France et cet Accord) qui ont été fournis en langue anglaise. Le Titulaire de l'Option accepte les termes de ces documents en connaissance de cause.*

**Foreign Asset/Account Reporting Information.** French residents holding Option Shares outside of France or maintaining a foreign bank account are required to report such to French tax authorities when filing his or her annual tax return. Failure to comply could trigger significant penalties.

## **GERMANY**

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In case of payments in connection with the exercise of the Options or sale of Option Shares acquired under the Plan, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English. It is Optionee's responsibility to comply with this reporting obligation and the Optionee should consult with his or her personal tax advisor in this regard.

## **INDIA**

**Payment of Exercise Price.** This provision supplements Section 4 of the Agreement:

Notwithstanding anything to the contrary in the Agreement, due to legal restrictions in India, the Optionee will not be permitted to pay the Exercise Price by (i) delivery of shares of Common Stock (as set forth in Section 4(c) of the Agreement) or (ii) a broker assisted partial cashless exercise such that a certain number of Option Shares subject to the exercised Option are sold immediately upon exercise and the proceeds of the sale remitted to the Company to cover the aggregate Exercise Price and any Tax-Related Items. However, payment of the Exercise Price may be made by any of the other methods of payment set forth in Section 4 of the Agreement. The Company reserves the right to provide the Optionee with this method of payment depending on the development of local law.

**Exchange Control Notification.** If the Optionee remits funds out of India to purchase Option Shares, it is the Optionee's responsibility to comply with applicable exchange control laws. Regardless of the method of exercise used to purchase the Option Shares, the Optionee understands that he or she must repatriate any proceeds from the sale of Option Shares acquired under the Plan and any dividends received in relation to the Option Shares to India and convert the funds into local currency within ninety (90) days of receipt, or such other period of time as required under applicable regulations. The Optionee must obtain a foreign inward remittance certificate ("FIRC") from the bank where the Optionee deposits the foreign currency and maintains the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

**Foreign Asset / Account Reporting Information.** The Optionee is required to declare any foreign bank accounts and assets (including Shares acquired under the Plan) on his or her annual tax return. The Optionee should consult with his or her personal tax advisor to determine his or her reporting requirements.

## **IRELAND**

**Labor Law Acknowledgment.** This provision supplements Section 8 of the Agreement:

By accepting the Option, the Optionee acknowledges, understands, and agrees that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

**Restriction on Type of Shares Issued to Directors.** If the Optionee is a director of an Irish subsidiary of the Company, the Option will be granted over newly issued shares only. In no event will treasury shares be issued pursuant to the exercise of the Option. This restriction also applies to a shadow director of an Irish subsidiary.

## **ISRAEL**

**Trust Arrangement.** The Optionee understands and agrees that the Options are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the "Sub-Plan") under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement among the trustee appointed by Analog Devices (Israel) Ltd. and Analog Development (Israel) 1996 Ltd., and the Agreement. This includes the option exercise price per share and any other requirements set out in the Sub-plan. In the event of any inconsistencies among the Sub-Plan, the Agreement and/or the Plan, the Sub-Plan will govern the Options granted to the Optionee in Israel.

*If the Optionee resides in Israel and has not already signed an Israeli Appendix in connection with grants made under the Plan, then the Optionee must print, sign and deliver the signed copy of the Israeli Appendix attached hereto as Appendix C within 45 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., One Technology Way, Norwood, Massachusetts, 02062 U.S.A. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive the signed Israeli Appendix within 45 days, the Options shall terminate and will become null and void.*

**Payment of Exercise Price.** This provision supplements Section 4 of the Agreement:

Due to regulatory requirements and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, the Optionee will be restricted to a broker assisted cashless sell-all method of exercise with respect to the Options. To complete a cashless sell-all exercise, the Optionee should instruct the broker to: (i) sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any Tax-Related Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercise or cashless sell-to-cover exercise.



## **ITALY**

**Payment of Exercise Price.** This provision supplements Section 4 of the Agreement:

Due to regulatory requirements and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, the Optionee will be restricted to a broker assisted cashless sell-all method of exercise with respect to the Options. To complete a cashless sell-all exercise, the Optionee should instruct the broker to: (i) sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any Tax-Related Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercise or cashless sell-to-cover exercise.

**Plan Document Acknowledgment.** In accepting the Option, the Optionee acknowledges a copy of the Plan was made available to the Optionee, and that the Optionee has reviewed the Plan and the Agreement, including Appendix A, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and Appendix A.

The Optionee further acknowledges that he or she has read and specifically and expressly approves the following provision in the Agreement: Term of Option; Termination of Employment; Withholding Taxes; Nature of Grant; and Additional Requirements.

**Foreign Asset Tax.** The value of the financial assets held outside Italy by individuals resident of Italy is subject to a foreign asset tax. Such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (e.g., Option Shares) assessed at the end of the calendar year.

**Foreign Asset / Account Reporting Information.** If the Optionee holds investments abroad or foreign financial assets (e.g., cash, Option Shares, Options) that may generate income taxable in Italy, the Optionee is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Optionee if he or she is a beneficial owner of the investments, even if the Optionee does not directly hold investments abroad or foreign assets.

## **JAPAN**

**Exchange Control Information.** If the Optionee is a Japanese resident and acquires Option Shares valued at more than ¥100,000,000 in a single transaction, the Optionee must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the Option Shares.

In addition, if the Optionee is a Japanese resident and pays more than ¥30,000,000 in a single transaction for the purchase of Option Shares when he or she exercises the option, the Optionee must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day following the month in which the payment was made. The precise reporting requirements vary depending on whether the relevant payment is made through a bank in Japan. The Optionee should consult with his or her legal advisor in this regard.

A Payment Report is required independently of a Securities Acquisition Report. Therefore, if the total amount that the Optionee pays upon a one-time transaction for exercising this Option and purchasing Option Shares exceeds ¥100,000,000, then the Optionee must file both a Payment Report and a Securities Acquisition Report.

**Foreign Asset / Account Reporting Information.** The Optionee will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15th each year. The Optionee should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding Options or Option Shares acquired under the Plan.

## **KOREA**

**Foreign Asset / Account Reporting Information.** Korean residents must declare all foreign financial accounts (i.e., non-Korean bank accounts, brokerage accounts, and so on) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). The Optionee should consult with his or her personal tax advisor to determine any personal reporting obligations.

**MALAYSIA**

Payment of Tax-Related Items. This provision supplements Section 7 of the Agreement:

The Employer, the Company or one of its subsidiaries may withhold taxes in connection with the Options to satisfy the Optionee's Tax-Related Items liability in Malaysia. Should withholding not occur, however, the Optionee acknowledges that he or she is ultimately responsible for paying any Tax-Related Items legally due by him or her in connection with the Options to the Inland Revenue Board of Malaysia.

Director Notification. If the Optionee is a director of a subsidiary or other related company in Malaysia, then the Optionee is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian subsidiary in writing when the Optionee receives an interest (e.g., Options, Option Shares) in the Company or any related companies. In addition, the Optionee must notify the Malaysian subsidiary when he or she sells Shares of the Company or any related company (including when the Optionee sells Option Shares acquired under the Plan). These notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or any related company.

Data Privacy. The following provision replaces the Data Privacy Information and Consent provision under the Terms and Conditions for Optionees Outside the U.S. set forth above:

The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, the Employer, and the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

The Optionee understands that the Company and the Employer may hold certain personal information about the Optionee, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The source of the Data is the Employer as well as information the Optionee is providing to the Company and the Employer in connection with the Option. The Optionee understands that Data may be transferred to Fidelity or any other third parties as may be selected by the Company in the future, which are assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Optionee's country or elsewhere and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Optionee authorizes the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Optionee may elect to deposit any Shares acquired upon exercise of this Option. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Optionee understands, however, that refusing or withdrawing his or her consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her regional stock plan administrator at Stock\_Plan\_Admin@Analog.com.

Pemegang Opsyen dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam dokumen ini, oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat, dan mana-mana Anak Syarikatnya bagi tujuan eksklusif untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan Pemegang Opsyen dalam Pelan.

Pemegang Opsyen memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang Pemegang Opsyen, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua opsiyen atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Pemegang Opsyen, untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan ("Data"). Sumber Data adalah daripada Majikan dan juga daripada maklumat yang dibekalkan oleh Pemegang Opsyen kepada Syarikat dan Majikan berkenaan dengan Opysen. Pemegang Opysen juga memahami bahawa Data mungkin dipindahkan kepada Fidelity atau mana-mana pihak ketiga yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu dalam pelaksanaan, pentadbiran dan pengurusan Pelan, bahawa penerima-penerima ini mungkin berada di negara Pemegang Opsyen atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Pemegang Opsyen. Pemegang Opsyen memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatannya. Pemegang Opsyen memberi kuasa kepada Syarikat, Fidelity, dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Pemegang Opsyen dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan Pemegang Opsyen dalam Pelan, termasuk apa-apa pemindahan Data yang diperlukan kepada broker atau pihak ketiga dengan siapa Pemegang Opsyen mungkin pilih untuk menandatangani apa-apa Saham yang diperolehi di atas pelaksanaan Opsyen ini. Pemegang Opsyen memahami bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan tersebut. Pemegang Opsyen memahami bahawa dia boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya. Pemegang Opsyen memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjejaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keenggannya untuk memberikan keizinan atau penarikan balik keizinan, Pemegang Opsyen fahami bahawa dia boleh menghubungi pentadbir pelan saham serantau di Stock\_Plan\_Admin@Analog.com.

## MEXICO

Acknowledgment of the Agreement. By participating in the Plan, the Optionee acknowledges that he or she has received a copy of the Plan, has reviewed the Plan in its entirety and fully understands and accepts all provisions of the Plan. The Optionee further acknowledges that he or she has read and expressly approves the terms and conditions set forth in the Nature of Grant paragraph of the Agreement, in which the following is clearly described and established: (i) the Optionee's participation in the Plan does not constitute an acquired right; (ii) the Plan and the Optionee's participation in the Plan are offered by the Company on a wholly discretionary basis; (iii) the Optionee's participation in the Plan is voluntary; and (iv) the Company and its subsidiaries are not responsible for any decrease in the value of the Option granted and/or the Option Shares issued under the Plan.

Labor Law Policy and Acknowledgment. By participating in the Plan, the Optionee expressly recognizes that Analog Devices, Inc., with registered offices at One Technology Way, Norwood, Massachusetts, 02062 U.S.A., is solely responsible for the administration of the Plan and that the Optionee's participation in the Plan and acquisition of Option Shares does not constitute an employment relationship between the Optionee and

the Company since the Optionee is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Optionee expressly recognizes that the Plan and the benefits that the Optionee may derive from participation in the Plan do not establish any rights between the Optionee and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Optionee's employment.

The Optionee further understands that the Optionee's participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Optionee's participation at any time without any liability to the Optionee.

Finally, the Optionee hereby declares that the Optionee does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Optionee therefore grants a full and broad release to the Company, its subsidiaries, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

*Reconocimiento del Contrato. Al participar en el Plan, usted reconoce que ha recibido una copia del Plan, que ha revisado el Plan en su totalidad, y que entiende y acepta en su totalidad, todas y cada una de las disposiciones del Plan. Asimismo reconoce que ha leído y aprueba expresamente los términos y condiciones señalados en el párrafo titulado Naturaleza de la Oferta en el Convenio, en lo que claramente se describe y establece lo siguiente: (i) su participación en el Plan no constituye un derecho adquirido; (ii) el Plan y su participación en el Plan son ofrecidos por la Compañía sobre una base completamente discrecional; (iii) su participación en el Plan es voluntaria; y (iv) la Compañía y sus afiliadas no son responsables de ninguna por la disminución en el valor de la Opción ofrecida y/o las Acciones distribuidas bajo el Plan.*

*Política de Legislación Laboral y Reconocimiento. Al participar en el Plan, usted reconoce expresamente que Analog Devices, Inc., con oficinas registradas en One Technology Way, Norwood, Massachusetts, 02062 EE.UU, es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.*

*Asimismo usted entiende que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en cualquier momento, sin que usted incurra en responsabilidad alguna.*

*Finalmente, usted declara que no se reserva acción o derecho alguno para interponer reclamación alguna en contra de la Compañía, por concepto de compensación o daños relacionados con cualquier disposición del Plan o de los beneficios derivados del Plan, y por lo tanto, usted libera total y ampliamente de toda responsabilidad a la Compañía, a sus afiliadas, sucursales, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales, con respecto a cualquier reclamación que pudiera surgir.*

## **NETHERLANDS**

Nature of Grant. This provision supplements Section 8 of the Agreement:

By accepting the Option, the Optionee acknowledges that the Option is intended as an incentive for the Optionee to remain employed with the Employer and is not intended as remuneration for labor performed.

## **PHILIPPINES**

Securities Law Information. The securities being offered or sold herein have not been registered with the Philippines Securities and Exchange Commission ("PSEC") under its Securities Regulation Code (the "SRC").

The grant of Options is being made pursuant to an exemption from registration under Section 10.2 of the SRC that has been approved by the PSEC.

The Optionee should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of the Option Shares on the Nasdaq Global Select Market ("Nasdaq") and the risk of currency fluctuations between the U.S. Dollar and the Optionee's local currency. In this regard, the Optionee should note that the value of any Option Shares he or she may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between his or her local currency and the U.S. Dollar may affect the value of the

Options or any amounts due to him or her pursuant to the exercise of Options or the subsequent sale of any Option Shares acquired by him or her. The Company is not making any representations, projections or assurances about the value of the Option Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Option Shares, the Optionee should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's website at <http://investor.analog.com/sec.cfm>.

The Optionee should also note that the sale or disposal of Option Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Option Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Option Shares are listed. The Option Shares are currently listed on Nasdaq. The Company's designated broker should be able to assist the Optionee in the sale of Option Shares on Nasdaq. *If the Optionee has questions with regard to the application of Philippines securities laws to the disposal or sale of Option Shares acquired under the Plan the Optionee should consult with his or her legal advisor.*

#### **POLAND**

**Foreign Asset/Account Reporting Information.** If the Optionee maintains bank or brokerage accounts holding cash and foreign securities (including Option Shares) outside of Poland, the Optionee will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7,000,000. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland.

**Exchange Control Information.** The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into or out of Poland must be made through a bank account in Poland. The Optionee understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred. The Optionee should consult with his or her personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

#### **ROMANIA**

**Exchange Control Information.** If the Optionee deposits the proceeds from the sale of Option Shares acquired at exercise of the Option in a bank account in Romania, the Optionee may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. The Optionee should consult his or her personal advisor to determine whether he or she will be required to submit such documentation to the Romanian bank.

#### **SERBIA**

**Securities Law Information.** The grant of Options and the issuance of any Option Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

**Exchange Control Information.** Pursuant to the Law on Foreign Exchange Transactions, the Optionee is permitted to acquire Option Shares under the Plan, but a report may need to be made of the acquisition of such Option Shares, the value of the Option Shares at exercise, and, on a quarterly basis, any changes in the value of the Option Shares. As the exchange control regulations in Serbia may change without notice, the Optionee should consult with his or her personal advisor with respect to all applicable reporting obligations.

#### **SINGAPORE**

**Securities Law Information.** The Options were granted to the Optionee pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Optionee should note that the Options are subject to section 257 of the SFA and the Optionee will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Option Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

**Chief Executive Officer and Director Notification.** If the Optionee is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Optionee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore subsidiary in writing when the Optionee receives an interest (e.g., Options, Option Shares) in the Company or any related company. In addition, the Optionee must notify the Singapore subsidiary when the Optionee sells Option Shares of the Company or any related company (including when the Optionee sells Option Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) acquiring or disposing of any interest in the

Company or any related company, or (ii) any change in a previously-disclosed interest (e.g., upon exercise of the Options or when Option Shares are subsequently sold). In addition, a notification must be made of the Optionee's interests in the Company or any related company within two (2) business days of becoming a CEO or director, associate director, or shadow director.

## **SPAIN**

**No Entitlement for Claims or Compensation.** In accepting the Options, the Optionee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Optionee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to individuals who may be employees of the Company or its subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Options will not economically or otherwise bind the Company or any of its subsidiaries on an ongoing basis. Consequently, the Optionee understands that the Options are granted on the assumption and condition that the Options and the underlying Option Shares acquired upon exercise shall not become a part of any employment contract (either with the Company or any of its subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Optionee understands that the Option would not have been granted to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Options shall be null and void.

Further, and except as provided in Section 3(g) of the Agreement in the event Optionee becomes Disabled, the vesting of the Option is expressly conditioned on the Optionee's continued rendering of service, such that if the Optionee's employment terminates for any reason whatsoever, the Options will cease vesting immediately, in whole or in part, effective on the date of the Optionee's termination of employment (unless otherwise specifically provided in Section 3 of the Agreement). This will be the case, for example, even if (1) the Optionee is considered to be unfairly dismissed without Cause (i.e., subject to a "*despido improcedente*"); (2) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Optionee terminates service due to a change of work location, duties or any other employment or contractual condition; (4) the Optionee terminates service due to a unilateral breach of contract by the Company or the Employer; or (5) the Optionee's employment terminates for any other reason whatsoever. Consequently, upon termination of the Optionee's employment for any of the above reasons, the Optionee will automatically lose any rights to Options that were not vested on the date of the Optionee's termination of employment, as described in the Plan and the Agreement. The Optionee understands that the Option grant would not be made to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Option grant shall be null and void.

The Optionee acknowledges that he or she has read and specifically accepts the conditions referred to in Section 3 of the Agreement.

**Securities Law Notification.** The grant of Options and the Option Shares issued upon exercise of the Option are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. This Agreement has not been or will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

**Exchange Control Notification.** The Optionee acknowledges that he or she must declare any Option Shares that are acquired under the Plan to the *Dirección General de Comercio e Inversiones* of the Ministry of Economy and Competitiveness (the "DGCI"). After the initial declaration, the declaration must be filed with the DGCI on an annual basis each January while the Option Shares are owned; however, if the value of the Option Shares or the sale proceeds exceed a certain amount, a declaration must be filed within one month of the acquisition or sale, as applicable.

**Foreign Asset / Account Reporting Information.** To the extent that the Optionee holds assets (e.g., cash or Option Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of asset (e.g., Option Shares, cash, and so on) as of December 31 each year, the Optionee will be required to report information on such assets on his or her tax return for such year (tax form 720). After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties to the Optionee. Accordingly, the Optionee should consult with his or her personal tax and legal advisors to ensure that he or she is properly complying with his or her reporting obligations.

Further, the Optionee is required to declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

## **SWEDEN**

**Automatic Cashless Exercise and Sale.** The grant of the Option is conditioned on the Optionee's agreement to the below.

The Optionee agrees that, if he or she has not previously exercised the Option to the maximum extent possible in accordance with its terms prior to the first day on which the closing price of the Company's Common Stock on the New York Stock Exchange equals or exceeds 200%

of the Exercise Price, then the Optionee will be deemed to have exercised the Option to the maximum extent possible in accordance with its terms on such date by means of a cashless exercise in the manner described in the Plan and the Agreement and to have directed the immediate sale of all of the Option Shares thereby purchased. The Optionee hereby authorizes the Company (or its designated broker pursuant to this authorization) to effect such cashless exercise and sale transaction on the Optionee's behalf as soon as administratively possible, and to cause to be remitted to the Optionee the net proceeds, after deduction of the Exercise Price and all Tax-Related Items and charges required to be withheld by the Company or Analog Devices A.B.

To the extent that the Option by its terms is not exercisable on such date, the Optionee will be deemed to have exercised the Option and directed the immediate sale of all of the Option Shares thereby purchased on the first day thereafter on which it becomes exercisable on which the closing price of the Company's Common Stock on the New York Stock Exchange equals or exceeds 200% of the Exercise Price, and the Optionee grants the same authority to the Company as set forth in the preceding sentence. The Optionee agrees to execute and deliver any documentation which the Company's designated broker may require in connection with this arrangement. The Company is authorized to act in this matter on behalf of Analog Devices A.B.

#### **SWITZERLAND**

**Securities Law Information.** This Option grant is not intended to be a public offering in Switzerland and is therefore not subject to registration in Switzerland. Neither this document nor any materials relating to the Option Shares constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations and neither this document nor any other materials relating to the Option Shares may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Options has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA)).

#### **TAIWAN**

**Data Privacy.** The Optionee acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in the Data Privacy Information and Consent provision of the Terms and Conditions for Optionees outside the U.S. and agrees that, upon the request of the Company or the Employer, the Optionee will provide any executed data privacy consent form to the Employer or the Company (or any other agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in the Optionee's country, either now or in the future. The Optionee understands he or she will not be able to participate in the Plan if the Optionee fails to execute any such consent or agreement.

**Securities Law Information.** The option and participation in the Plan is made available only to employees of the Company and the Employer. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

**Exchange Control Information.** Individuals may acquire foreign currency (including proceeds from the sale of Option Shares) into Taiwan up to US\$5,000,000 per year without justification.

There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, the Optionee must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

#### **TURKEY**

**Manner of Exercising Option.** This provision supplements Section 4 of the Agreement:

Due to legal restrictions in Turkey, Optionee may be required to exercise his or her option using the cashless sell-all exercise method whereby all Option Shares subject to the exercised option will be sold immediately upon exercise and the proceeds of the sale, less the Exercise Price, any Tax-Related Items and broker's fees or commissions will be remitted to Optionee in accordance with any applicable laws and regulations. Optionee will not be permitted to acquire and hold Option Shares after exercise. The Company reserves the right to provide additional methods of exercise to Optionee depending on the development of local law.

**Securities Law Information.** Under Turkish law, the Optionee is not permitted to sell any Option Shares acquired under the Plan in Turkey. The Option Shares are currently traded on the Nasdaq Global Select Market, under the ticker symbol "ADI" and the Option Shares may be sold through this exchange.

**Exchange Control Information.** The Optionee may be required to engage a Turkish financial intermediary to assist with the sale of Option Shares acquired under the Plan. As the Optionee is solely responsible for complying with any applicable financial intermediary requirements,

the Optionee should consider consulting his or her personal legal advisor prior to the exercise of the Options or any sale of Option Shares to ensure compliance.

**UNITED KINGDOM**

Joint Election. As a condition of the Optionee's participation in the Plan and the exercise of the Option, the Optionee agrees to accept any liability for secondary Class 1 National Insurance contributions which may be payable by the Company and/or the Employer in connection with the Option and any event giving rise to Tax-Related Items (the "Employer's Liability"). Without prejudice to the foregoing, the Optionee agrees to enter into a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), and any other required consent or elections. The Optionee further agrees to enter into such other Joint Elections as may be required between the Optionee and any successor to the Company and/or the Employer. The Optionee further agrees that the Company and/or the Employer may collect the Employer's Liability from the Optionee by any of the means set forth in Section 7 of the Agreement.

If the Optionee does not enter into the Joint Election prior to the exercise of the Option, the Optionee will forfeit the Option and any Option Shares that have been issued will be returned to the Company at no cost to the Company, without any liability to the Company and/or the Employer.

*The Joint Election is attached hereto as Appendix D. If the Optionee has signed a Joint Election in the past with respect to Options granted to him or her by the Company and that Joint Election applies to all grants made under the Plan, the Optionee need not sign another Joint Election in connection with this Option grant*



**APPENDIX B**

**ANALOG DEVICES, INC.  
AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**

**SPECIAL NOTICE FOR DANISH EMPLOYEES**  
**EMPLOYER STATEMENT**

If Section 3(1) of the Act on Stock Options in employment relations (the "Act") applies to your stock option grant, you are entitled to receive the following information regarding Analog Devices, Inc.'s (the "Company's") stock option program in a separate written statement.

This statement contains only the information mentioned in the Act. The other terms and conditions of your stock option grant are described in detail in the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the "Plan"), and the Stock Option Agreement for Employees Outside the U.S., including the country-specific appendix (the "Agreement"), which have been given to you.

**1. Time of grant of option to purchase stock**

The grant date for your stock option is the date that the Company approved a grant for you.

**2. Terms or conditions for option grant**

The grant of stock options will be at the sole discretion of the Company. The Company has very broad powers to determine who will receive awards and when, and to set the terms of the awards. The Company may decide, in its sole discretion, not to make any grants of stock options to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future option grants.

**3. Vesting date or period**

Your stock option will vest in accordance with the vesting schedule set forth in Section 1 of your Agreement.

**4. Exercise price**

During the exercise period, the stock options can be exercised to purchase stock in the Company at the exercise price stated in the notice of grant which will be no less than 100% of the fair market value of the stock at the time of grant, as determined by the Company.

**5. Your rights upon termination of employment**

If the terms of the Act are applicable to your stock option grant, the treatment of your stock option upon termination of employment will be determined under Sections 4 and 5 of the Act unless the terms contained in the Agreement are more favorable to you than Sections 4 and 5 of the Act. If the terms contained in the Agreement are more favorable to you, then such terms will govern the treatment of your stock option upon termination of employment.

**6. Financial aspects of participating in the Plan**

The grant of stock options has no immediate financial consequences for you. The value of the options is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stocks will always have financial risk. The possibility of profit at the time of exercise will not only be dependent on the Company's financial development, but also on the general development of the stock market. In addition, before or after you exercise your options, the shares of Company stock could decrease in value even below the exercise price.

Notice Provided By:

Analog Devices, Inc.

Three Technology Way

Norwood, MA 02062

U.S.A.

**SÆRLIG MEDDELELSE TIL DANSKE MEDARBEJDERE**  
**ARBEJDSGIVERERKLÆRING**

Såfremt § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") finder anvendelse på din tildeling af aktieoptioner, er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Analog Devices, Inc.'s ("Selskabets") aktieoptionsprogram.

Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven. De øvrige kriterier og betingelser for din tildeling af aktieoptioner er detaljeret beskrevet i Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan ("Planen") og i Stock Option Agreement for Employees Outside the U.S. inkl. det landespecifikke tillæg ("Aftalen"), som du har fået udleveret.

**1. Tidspunktet for tildeling af retten til at købe aktier**

Tidspunktet for tildelingen af din aktieoption er den dato, hvor Selskabets godkendte din tildeling.

**2. Kriterier og betingelser for optionstildelingen**

Tildelingen af aktieoptioner sker efter Selskabet eget skøn. Selskabet har meget vide beføjelser til at bestemme, hvem der modtager tildelingen og hvornår, og til at fastsætte betingelserne for tildelingen. Selskabet kan frit beslutte ikke fremover at tildele dig nogen aktieoptioner. I henhold til Planen og Aftalen har du ikke nogen ret til eller noget krav på i fremtiden at få tildelt optioner.

**3. Modningstidspunkt eller-periode**

Din aktieoption modnes som anført i den modningsplan, der fremgår af afsnit 1 i Aftalen.

**4. Udnyttelseskurs**

I udnyttelsesperioden kan aktieoptionerne udnyttes til køb af aktier i Selskabet til den udnyttelseskurs, som er angivet i tildelingsmeddelelsen, og som ikke vil være mindre end 100% af aktiernes markedskurs på tildelingstidspunktet som fastsat af Selskabet.

**5. Din retsstilling i forbindelse med fratræden**

Såfremt din tildeling af aktieoptioner er omfattet af Aktieoptionsloven, vil din aktieoption ved din fratræden blive behandlet i overensstemmelse med §§ 4 og 5 i Aktieoptionsloven, medmindre bestemmelserne i Aftalen stiller dig bedre end §§ 4 og 5 i Aktieoptionsloven. Såfremt vilkårene i Aftalen stiller dig bedre, vil det være disse vilkår, der er gældende for, hvordan din aktieoption behandles i forbindelse med din fratræden.

**6. Økonomiske aspekter ved at deltage i Planen**

Tildelingen af aktieoptioner har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af optionerne indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige ydelser, der beregnes på grundlag af lønnen.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Således afhænger muligheden for at opnå en fortjeneste på udnyttelsestidspunktet ikke blot af Selskabets økonomiske udvikling, men også af den generelle udvikling på aktiemarkedet. Derudover kan Selskabets aktier både før og efter udnyttelsestidspunktet falde til en værdi, der måske endda ligger under udnyttelseskursen.

Meddelelse afgivet af:

Analog Devices, Inc.

Three Technology Way

Norwood, MA 02062

U.S.A.

**APPENDIX C**

**ANALOG DEVICES, INC.  
AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**

**ISRAELI APPENDIX**

**Trust Arrangement. If the Optionee resides in Israel and has not already signed an Israeli Appendix in connection with grants made under the Amended and Restated Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan"), then the Optionee must print, sign & deliver the signed copy of this Israeli Appendix within 45 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., Norwood, Massachusetts, 02062 USA.**

The Optionee hereby understands and agrees that the Options are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the "Sub-Plan") to the Plan under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement between the trustee appointed by Analog Devices, (Israel) Ltd. (the "Trustee"), the Global Non-Qualified Stock Option Agreement, including Appendix A thereto (collectively, the "Option Agreement"), and the Plan. In the event of any inconsistencies among the Sub-Plan, the Option Agreement, and/or the Plan, the Optionee agrees that the Sub-Plan will govern the Options granted to the Optionee in Israel.

**Please sign this Israeli Appendix and return it to the address shown on the top within 45 days of receipt. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive your signed Israel Appendix, your Options shall terminate and will become null and void.**

Name: {EMPNAME}

Date

**APPENDIX D**

**ANALOG DEVICES, INC.  
AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**

**Election To Transfer the Employer's National Insurance Liability to the Employee**

Onscreen disclaimer

If you are liable for National Insurance contributions ("NICs") in the United Kingdom in connection with your stock options ("Awards"), you are required to enter into an Election to transfer to you any liability for employer's NICs that may arise in connection with your Awards.

Clicking on the "ACCEPT" box indicates your acceptance of the Election. You should read the "Important Note on the Election to Transfer Employer NICs" before accepting the Election.

**Important Note on the Election to Transfer Employer NICs**

If you are liable for National Insurance contributions ("NICs") in the United Kingdom in connection with Awards that have been granted or assumed and converted under the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan, you are required to enter into an Election to transfer to you any liability for employer's NICs that may arise in connection with your Awards.

By entering into the Election:

- you agree that any employer's NICs liability that may arise in connection with your Awards will be transferred to you;
- you authorise your employer to recover an amount sufficient to cover this liability by such methods including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your Awards; and
- you acknowledge that even if you have clicked on the "ACCEPT" box where indicated, the Company or your employer may still require you to sign a paper copy of this Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Election.

Please read the Election carefully before accepting the Election.

Please print and keep a copy of the Election for your records.

**APPENDIX D**

**ANALOG DEVICES, INC.**

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**

**Election To Transfer the Employer's National Insurance Liability to the Employee**

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive stock options ("**Awards**") pursuant to the Analog Devices, Inc. 2006 Stock Incentive Plan (the "**Plan**"), and
- B. Analog Devices, Inc. of One Technology Way, Norwood, Massachusetts 02062, U.S.A. (the "**Company**"), which may grant Awards under the Plans and is entering into this Election on behalf of the Employer.

**1. Introduction**

1.1 This Election relates to all Awards granted to the Employee or assumed and converted under the Plan up to the termination dates of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

(a) "**Chargeable Event**" means, in relation to the Awards:

- (i) the acquisition of securities pursuant to stock options and/or stock purchase rights (within section 477(3)(a) of ITEPA);
- (ii) the assignment (if applicable) or release of the stock options in return for consideration (within section 477(3)(b) of ITEPA);
- (iii) the receipt of a benefit in connection with the stock options, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);
- (iv) post-acquisition charges relating to the shares acquired pursuant to the stock options (within section 427 of ITEPA); and/or
- (v) post-acquisition charges relating to the shares acquired pursuant to the stock options (within section 439 of ITEPA).

(b) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.

(c) "**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the employer's secondary Class 1 National Insurance Contributions (the "**Employer's Liability**") which may arise on the occurrence of a Chargeable Event in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

**2. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

**3. Payment of the Employer's Liability**

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer’s Liability from the Employee at any time after the Chargeable Event:

- (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
- (ii) directly from the Employee by payment in cash or cleared funds; and/or
- (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards; and/or
- (iv) by any other means specified in the applicable award agreement.

3.2 The Company hereby reserves for itself and the Company the right to withhold the transfer of any securities related to the Awards to the Employee until full payment of the Employer’s Liability is received.

3.3 The Company agrees to remit the Employer’s Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

**4. Duration of Election**

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer’s Liability becomes due.

4.2 This Election will continue in effect until the earliest of the following:

- (i) the Employee and the Company agree in writing that it should cease to have effect;
- (ii) on the date the Company serves written notice on the Employee terminating its effect;
- (iii) on the date HM Revenue & Customs withdraws approval of this Election; or
- (iv) after due payment of the Employer’s Liability in respect of the entirety of the Awards to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

4.3 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

Any reference in this Election to the Company and/or the Employer shall include that entity’s successors in title and assigns as permitted in accordance with the terms of the Plan and the relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 ITEPA applies.

**Acceptance by the Employee**

The Employee acknowledges that, by clicking on the “ACCEPT” box, the Employee agrees to be bound by the terms of this Election.

**Acceptance by Analog Devices, Inc.**

Analog Devices, Inc. acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, Analog Devices, Inc. agrees to be bound by the terms of this Election.

Signature for and on

behalf of Analog Devices, Inc. \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

**SCHEDULE OF EMPLOYER COMPANIES**

The following are employer companies to which this Election may apply:

For each company, provide the following details:

Analog Devices Limited

Registered Office:	Unit 3 Horizon Business Village, 1 Brooklands Road, Weybridge, Surrey, KT13 OTJ
Company Registration Number:	895439
Corporation Tax Reference:	6873689030216A
PAYE Reference:	120/A4055

Linear Technology (UK) Limited

Registered Office:	3 The Listons, Liston Road, Marlow, Buckinghamshire, SL7 1FD
Company Registration Number:	2149602
Corporation Tax Reference:	120PA00148447
PAYE Reference:	120/L30589

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
GLOBAL RESTRICTED STOCK UNIT AGREEMENT**

**Private & Confidential (Addressee Only)**

{EMPNAME}

{EMPNUM}

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 Restricted Stock Units ("RSUs") set forth below, subject to the terms and conditions of the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the "Plan") and this Global Restricted Stock Unit Agreement, including Appendix A, which includes any applicable country-specific provisions. This Global Restricted Stock Unit Agreement, together with Appendix A, is referred to as the "Agreement". The grant of 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. Grant of 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 RSUs (the "Award") effective on the Date of Grant set forth below:

**Date of Grant:** {GRANTDATE}  
**Number of RSUs:** {RSSHARESGRANTED}  
**{RSVESTDESC} {RSVESTSCHED}**

If the Participant resides in Australia, Canada, a European Economic Area or European Union member state, Hong Kong, Israel, Japan, Serbia, Switzerland, Taiwan, or Turkey, due to local legal requirements the Participant **must accept** this Agreement no later than {270DAYS+GRANTDATE} or **this Award shall terminate and will become null and void**. For purposes of this Agreement, the Participant is deemed to reside in the country where his or her Employer is located. In addition, if the Participant resides in Israel, written consent may be required by {45DAYS+GRANTDATE}, the Participant should refer to Appendix A for details.

If the Participant resides in the United States or any other country listed in Appendix A and does not accept this Agreement by {270DAYS+GRANTDATE}, or such other date that may be communicated, the Company will automatically accept the Agreement on the Participant's behalf. If the Participant declines this Agreement, this Award shall terminate and will become null and void. The Participant may not decline this Agreement on or after {270DAYS+GRANTDATE}.

Each one (1) RSU shall, if and when it vests in accordance with this Agreement, automatically convert into one (1) share of common stock, US\$0.16 2/3 par value, of the Company ("Common Stock") issuable as provided below. The RSUs are subject to the vesting provisions set forth in Section 2, the restrictions on transfer set forth in Section 3 and the right of the Company to retain Shares (as defined below) pursuant to Section 6 and to any special terms and conditions for countries outside the U.S. set forth in Appendix A.

2. Vesting and Conversion.

- (a) Subject to the terms of the Plan and this Agreement, the RSUs shall vest in accordance with the schedule set forth in Section 1. For purposes of this Agreement, RSUs that have not vested as of any particular time in accordance with this Section 2(a) are referred to as "Unvested RSUs." The shares of Common Stock that are issuable upon the vesting and conversion of the RSUs are referred to in this Agreement as "Shares." As soon as administratively practicable after the issuance of any Shares upon the vesting and conversion of RSUs, and subject to the terms and conditions set forth herein, 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. 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 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 either by the Participant, the Company, or the Employer for any reason or no reason (other than due to death or disability or as otherwise provided in the Plan or below), then in each such case, all of the Unvested 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 RSUs.



- (c) In the event the Participant's employment with the Company or the Employer is terminated by reason of the Participant's death, all Unvested RSUs shall vest in full as of the date of the Participant's death.
  - (d) In the event the Participant becomes Disabled, regardless of whether the Participant terminates employment with the Company or the Employer, all Unvested RSUs shall vest in full as of the date the Participant is determined to be Disabled. "Disabled" with respect to the Participant means, when and if, as a result of disease, injury or mental disorder, the Participant is incapable of engaging in regular service or occupation with the Company or the Employer (as defined in paragraph (e)) which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
  - (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 RSUs, either voluntarily or by operation of law.
  - (b) The Company shall not be required (i) to transfer on its books any of the RSUs which have been transferred in violation of any of the provisions set forth herein or (ii) to treat as the owner of such RSUs any transferee to whom such RSUs have been transferred in violation of any of the provisions contained herein.
4. Not a Shareholder. The RSUs represent an unfunded, unsecured promise by the Company to deliver Shares upon vesting and conversion of the RSUs, and until vesting of the 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 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 RSUs for which the record date is on or before the date on which the Shares underlying the RSUs are issued to the Participant.
5. Provisions of the Plan. The 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 or the Participant's regional stock plan administrator can provide the Participant with copies.
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 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 RSUs, including the grant of the RSUs, the vesting of the RSUs, the subsequent sale of any Shares acquired pursuant to the RSUs and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the 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 the obligations 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 RSUs that have an aggregate Fair Market Value (as defined under the Plan) 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 applicable vesting date); 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 vesting of the RSUs pursuant to (i) above, unless the use of such withholding method is problematic 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 applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates. 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 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 of Shares or through the Participant's salary or other amounts payable to the Participant, no Shares will be issued upon vesting of the 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 RSUs. No fractional Shares will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. By accepting this grant of 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 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 A, where share settlement is otherwise prohibited under local law or may present adverse tax consequences to the Participant, at the time the 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 applicable vesting date). 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 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 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 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 a termination of employment due to death, the vesting of the RSUs pursuant to Section 2 hereof is earned only by satisfaction of the performance conditions, if any, and continuing service as an employee at the will of the Company or the Employer (not through the act of being hired or engaged or being granted the 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 RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of 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 RSUs and income from such RSUs shall not be included in any calculation of severance, resignation, redundancy, end of service payments, bonuses,

long-service awards, pension, or retirement benefits or similar payments. The grant of 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) Exclusion from Termination Indemnities and Other Benefits. This Section 9(c) applies if the Participant resides outside the U.S.: The value of the RSUs and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's employment with the Company or the Employer (and the Participant's employment contract, if any). Any grant under the Plan, including the grant of the RSUs and the income and value of same, is not part of normal or expected compensation or salary. Further, the RSUs and the Shares, and the income and value of same, are not intended to replace any pension rights or compensation.
- (d) No Entitlement. This Section 9(d) applies if the Participant resides outside the U.S. and/or the Company is not the Participant's employer: In consideration of the grant of RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment with the Company or the Employer (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment contract, if any) and the Participant irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.
- (e) Exchange Rates. This Section 9(e) applies if the Participant resides outside the U.S.: The Participant acknowledges and agrees that neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the vesting and settlement of the RSUs or the subsequent sale of any Shares.
- (f) Future Value of Shares. The future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty.
- (g) 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.
- (h) 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.
- (i) 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 Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department. 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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 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.

- (n) 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 of the Company shall be final and conclusive.
- (o) 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.
- (p) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the 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.
- (q) English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, be drawn up in English. If the Participant has received this Agreement, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.
- (r) Appendix A. Notwithstanding any provisions herein to the contrary, if the Participant transfers the Participant's residence and/or employment to a country other than the United States, the RSUs shall be subject to any special terms and conditions for such country as may be set forth in Appendix A to this Agreement. Moreover, if the Participant relocates to one of the countries included in Appendix A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix A constitutes part of this Agreement.
- (s) Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, any Shares acquired pursuant to the 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.
- (t) Private Placement. The Company has submitted filings in the United States in connection with the stock incentive plan under which this Award was made. The Company has not submitted any registration statement, prospectus or other filings with other local securities authorities (unless otherwise required under such local law), and the grant of the Award is not intended to be a public offering of securities in any other jurisdiction or subject to the supervision of other local securities authorities.
- (u) 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 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 of the Company.
- (v) 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.
- (w) 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, which may affect the Participant's ability to accept, acquire, sell, or otherwise dispose of Common Stock, rights to Common Stock (*e.g.*, 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 otherwise causing them to buy or sell securities. Keep in mind third parties includes fellow employees. 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.

- (x) Foreign Asset/Account, Exchange Control, and Tax Reporting. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the RSUs, the acquisition, holding, and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintenance of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values and/or related transactions to the applicable authorities in his or her country. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements. The Participant further understands that he or she should consult the Participant's personal legal advisor on these matters.
- (y) 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.

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Ray Stata      Vincent Roche  
Chairman of the Board      President & Chief Executive Officer

## APPENDIX A

### AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN GLOBAL RESTRICTED STOCK UNIT AGREEMENT

This Appendix A includes additional terms and conditions that govern the RSUs granted to the Participant if the Participant resides and/or works in one of the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Capitalized terms used but not defined in this Appendix A shall have the meanings set forth in the Plan and/or the Agreement.

This Appendix A also includes certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, income tax and other laws in effect in the respective countries as of November 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date when the RSUs vest or Shares acquired under the Plan subsequently are sold.

In addition, the information is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Therefore, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, the Participant understands that if he or she is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

#### **TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS OUTSIDE THE U.S.**

**Data Privacy Information and Consent.** The Company is located at One Technology Way, Norwood, Massachusetts, 02062 U.S.A. and grants employees of the Company and its subsidiaries RSUs, at the Company's sole discretion. If the Participant would like to participate in the Plan, please review the following information about the Company's data processing practices and declare the Participant's consent.

- (a) **Data Collection and Usage.** The Company collects, processes and uses personal data of Participants, including, name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of stock or directorships held in the Company, and details of all RSUs, canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. If the Company offers the Participant a grant of RSUs under the Plan, then the Company will collect the Participant's personal data for purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of the Participant's personal data would be his or her consent.
- (b) **Stock Plan Administration Service Providers.** The Company transfers participant data to Fidelity, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. The Company's service provider will open an account for the Participant to receive and trade shares of Common Stock. The Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Participant's ability to participate in the Plan.
- (c) **International Data Transfers.** The Company and its service providers are based in the United States. If the Participant is outside the United States, the Participant should note that his or her country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program. The Company's legal basis for the transfer of the Employee's personal data is his or her consent.
- (d) **Data Retention.** The Company will use the Participant's personal data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's personal data, which will generally be seven years after the Participant is granted RSUs under the Plan, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.

- (e) Voluntariness and Consequences of Consent Denial or Withdrawal. The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if the Participant withdraws his or her consent, the Participant cannot participate in the Plan. This would not affect the Participant's salary as an employee or his or her career; the Participant would merely forfeit the opportunities associated with the Plan.
- (f) Data Subject Rights. The Participant has a number of rights under data privacy laws in his or her country. Depending on where the Participant is based, the Participant's rights may include the right to (a) request access or copies of personal data the Company processes, (b) rectification of incorrect data, (c) deletion of data, (d) restrictions on processing, (e) portability of data, (f) to lodge complaints with competent authorities in the Participant's country, and/or (g) a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise the Participant's rights please contact the Company at Analog Devices, Inc., One Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department.

If the Participant resides in a European Economic Area or European Union member state and agrees with the data processing practices described in this notice, the Participant declares his or her consent by clicking "Accept Your Grant" on the Accepting Your Grants page on Fidelity's participant website.

Language. The Participant acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement.

#### AUSTRALIA

Australian Offer Document. This offer of Restricted Stock Units is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of Restricted Stock Units to Australian resident employees, which is attached hereto as Appendix B.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, then the Participant will be required to file the report.

#### AUSTRIA

Exchange Control Information. If the Participant holds Shares acquired under the Plan outside Austria (even if he or she holds them outside Austria with an Austrian bank), then the Participant understands that he or she must submit an annual report to the Austrian National Bank using the form "*Standmeldung/Wertpapiere*." An exemption applies if the value of the securities held outside Austria as of December 31 does not exceed €5,000,000 or the value of the securities as of any quarter does not exceed €30,000,000. If the former threshold is exceeded, then the annual reporting obligations are imposed, whereas if the latter threshold is exceeded, then quarterly reports must be submitted. The deadline for filing the annual report is January 31 of the following year.

When the Shares are sold, there may be exchange control obligations if the cash received is held outside Austria, as a separate ongoing reporting requirement may apply to non-Austrian accounts. If the transaction value of all cash accounts abroad is less than €10,000,000, then no ongoing reporting requirements apply. However, if the transaction volume of all of the Participant's cash accounts abroad meets or exceeds €10,000,000, then the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, using the form "*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*."

#### BELGIUM

Foreign Asset / Account Reporting Information. The Participant is required to report any securities (e.g., Shares) or bank accounts opened and maintained outside Belgium on his or her annual tax return. In a separate report, certain details regarding such foreign accounts (including the account number, bank name and country in which such account was opened) must be provided to the Central Contact Point of the National Bank of Belgium. The forms to complete this report are available on the website of the National Bank of Belgium.

Stock Exchange Tax. A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when Shares acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

#### CANADA

Issuance of Shares: This provision supplements Section 2 of the Agreement:

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Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued as set forth in this section. In no event will the RSUs be paid to the Participant in the form of cash.

**Securities Law Information.** The Participant is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq Global Select Market.

**Termination of Employment.** The following supplements Section 2 of the Agreement (except Section 2(d) regarding disability) as well as any other section required to give effect to the same:

In the event of termination of the Participant's employment for any reason (other than by reason of death), either by the Participant or by the Employer, with or without cause, the Participant's right to vest or to continue to vest in the RSUs and receive Shares under the Plan, if any, will terminate as of the actual Date of Termination. For this purpose, the "Date of Termination" shall mean the last day on which the Participant is actively employed by the Employer, and shall not include or be extended by any period following such day during which the Participant is in receipt of or eligible to receive any notice of termination, pay in lieu of notice of termination, severance pay or any other payments or damages, whether arising under statute, contract or at common law.

**Foreign Asset / Account Reporting Information.** Foreign property (including cash held outside Canada or Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the cost of such foreign property exceeds C\$100,000 at any time during the year. Foreign property may also include the unvested portion of the RSUs. The RSUs must be reported (generally at a nil cost) if the \$100,000 cost threshold is exceeded because of other foreign property the Participant holds. If Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would normally equal the fair market value of the Shares at exercise, but if the Participant owns other shares, this ACB may have to be averaged with the ACB of the other shares. If due, the Form must be filed by April 30 of the following year. The Participant should consult with his or her personal tax advisor to determine the reporting requirements.

*The following terms and conditions apply if the Participant is in Quebec:*

**Data Privacy.** This provision supplements the Data Privacy Information and Consent provision in the Terms and Conditions for Participants Outside the U.S. set forth above:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any parent, subsidiary or affiliate of the Company to record such information and to keep such information in the Participant's employee file.

**French Language Acknowledgment.** This provision supplements Section 9(q) of the Agreement:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

## **CHINA**

**The following provision applies if the Participant is subject to exchange control restrictions and regulations in the People's Republic of China ("PRC"), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion:**

**Vesting.** Notwithstanding anything to the contrary in the Plan or the Agreement, the RSUs will not vest and no Shares will be issued to the Participant unless and until all necessary exchange control or other approvals with respect to the RSUs under the Plan have been obtained from the China State Administration of Foreign Exchange ("SAFE") or its local counterpart ("SAFE Approval"). In the event that SAFE Approval has not been obtained prior to any date(s) on which the RSUs are scheduled to vest in accordance with the vesting schedule set forth in the Agreement, the RSUs will not vest until the seventh day of the month following the month in which SAFE Approval is obtained (the "Actual Vesting Date"). If the Participant's status as a service provider terminates prior to the Actual Vesting Date, the Participant shall not be entitled to vest in any portion of the RSUs and the RSUs shall be forfeited without any liability to the Company, the Employer or any subsidiary or affiliate of the Company.



Exchange Control Requirements. Due to exchange control laws in the PRC, Shares acquired through RSU vestings must be maintained in the Fidelity (or any successor broker designated by the Company) brokerage account until the Shares are sold. When the Shares are sold, all proceeds must be repatriated to the PRC and held in a special exchange control account maintained by the Company, the Employer or one of the Company's subsidiaries in the PRC. To the extent that the Participant holds any Shares on the date that is three (3) months (or such other period as may be required by the SAFE) after the date of the Participant's termination of employment with the Company or the Employer, the Participant authorizes Fidelity (or any successor broker designated by the Company) to sell such Shares on the Participant's behalf at that time or as soon as is administratively practical thereafter. The Participant understands and agrees that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

The Participant further is required to repatriate to the PRC any dividends or dividend equivalents paid to the Participant in relation to RSUs through a special exchange control account established by the Company, the Employer, or one of the Company's subsidiaries in the PRC. The Participant hereby agrees that any cash proceeds from the Participant's participation in the Plan may be transferred to such special account prior to being delivered to the Participant.

The Participant also understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold and the time the cash proceeds are distributed to the Participant through the special account described above. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the PRC.

Tax Liability. Taxes are due at the time of vesting of the RSUs. The Participant understands and agrees that Tax-Related Items may be taken by the Employer from the Participant's salary or other cash compensation.

## **DENMARK**

Danish Stock Option Act. By participating in the Plan, the Participant acknowledges that he or she received an Employer Statement translated into Danish, which is being provided to comply with the Danish Stock Option Act and is attached hereto as Appendix C. To the extent more favorable to the Participant and required to comply with Stock Option Act, the terms set forth in the Employer Statement will apply to the Participant's participation in the Plan.

Exclusion from Termination Indemnities and Other Benefits. This provision supplements Section 9(c) in the Agreement:

By accepting the RSUs, the Participant acknowledges that he or she understands and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Exchange Control and Tax Information. The Participant may hold Shares acquired under the Plan in a safety-deposit account (*e.g.*, a brokerage account) either with a Danish bank or with an approved foreign broker or bank. If the Shares are held with a non-Danish broker or bank, the Participant is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, the Participant must file a Declaration V (Erklaering V) with the Danish Tax Administration. The Form V must be signed by the Participant and may be signed by the bank/broker. In the event that the applicable broker or bank with which the safety-deposit account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at vesting and held in such account to the Danish Tax Administration as part of the Participant's annual income tax return. By signing the Declaration V, the Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: [www.skat.dk/getFile.aspx?Id=47392](http://www.skat.dk/getFile.aspx?Id=47392).

In addition, if the Participant opens a deposit account or brokerage account for the purpose of holding cash outside Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, the Participant must also file a Declaration K (Erklaering K) with the Danish Tax Administration. Both the Participant and the bank/broker must sign the Declaration K, unless an exemption from the broker/bank signature requirement is granted by the Danish Tax Administration. It is possible to seek the exemption on the Form K, which the Participant should do at the time he or she submits the Form K. By signing the Declaration K, the Participant (and the bank/broker to the extent the exemption is not granted) undertakes an obligation, without further request each year (no later than on February 1 of the year following the calendar year to which the information relates), to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Participant's annual income tax return. By signing the Declaration K, the Participant at the same time authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: [www.skat.dk/getFile.aspx?Id=42409&newwindow=true](http://www.skat.dk/getFile.aspx?Id=42409&newwindow=true).

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Foreign Asset / Account Reporting Information. If the Participant establishes an account holding Shares or cash outside Denmark, the Participant must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (Please note that these obligations are separate from and in addition to the obligations described above.)

#### **EGYPT**

Exchange Control Information. If the Participant transfers funds into Egypt in connection with the sale of Shares, the Participant is required to transfer the funds through a registered bank in Egypt.

#### **FINLAND**

There are no country-specific provisions.

#### **FRANCE**

French-Qualified RSUs. The RSUs are intended to qualify for the favorable tax and social security regime in France under Section L. 225-197-1 to L. 225-197-6-1 of the French Commercial Code, as amended. Certain events may affect the status of the RSUs as French-qualified RSUs, and the French-qualified RSUs may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the RSUs. If the RSUs no longer qualify as French-qualified RSUs, the favorable tax and social security treatment will not apply, and the Participant will be required to pay his or her portion of social security contributions resulting from the RSUs (as well as any income tax that is due).

Plan Terms. The RSUs are subject to the terms and conditions of the Plan and the Rules of the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan for Grants to Participant in France (the "French Sub-plan"). To the extent that any term is defined in both the Plan and the French Sub-plan, for purposes of this grant of a French-qualified RSUs, the definitions in the French Sub-plan shall prevail.

Vesting. This provision supplements Section 2 in the Agreement:

Except in the event of the Participant's death or disability (as defined in the French Sub-plan and as determined under Section 2(d) of the Agreement) to benefit from the favorable tax and social security regime, no vesting shall occur prior to the second anniversary of the Date of Grant, or such other minimum period as required for the vesting period applicable to French-qualified RSUs under Section L.225-197-1 of the French Commercial Code, as amended, or relevant Sections of the French Tax Code or the French Social Security Code, as amended.

Disability. This provision supplements Section 2(d) in the Agreement:

In the event the Participant becomes Disabled (as defined in the French Sub-plan and as determined under Section 2(d) of the Agreement), the Unvested RSUs as of the date of the Participant's termination shall vest in full as of the date of the termination.

Restriction on Transfer and Sale of Shares. This provision supplements Section 3 in the Agreement:

The Participant may not sell or transfer the Shares issued at vesting of the RSUs prior to the second anniversary of each of the respective vesting date, or such other period as is required to comply with the minimum mandatory holding period applicable to French-qualified RSUs under Section L. 225-197-1 of the French Commercial Code, the relevant sections of the French Tax Code or of the French Social Security Code, as amended, to benefit from the favorable tax and social security regime. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of disability (as defined under the French Sub-plan), are not subject to this restriction on the sale of Shares. To ensure compliance with these restrictions, the Shares the Participant receives at vesting of the RSUs will be held with a broker designated by the Company (or according to any procedure implemented by the Company to ensure compliance with the restrictions) until such Shares are sold. These restrictions will apply even after the Participant is no longer employed by the Employer, the Company or one of its subsidiaries.

Further, as long as the RSUs and the Shares acquired at vesting of the RSUs maintain their French-qualified status, the Shares cannot be sold during certain "Closed Periods" as provided for by Section L. 225-197-1 of the French Commercial Code, as amended, and as interpreted by the French administrative guidelines, so long as these Closed Periods are applicable to Shares issued pursuant to French-qualified RSUs, and to the extent applicable. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of disability (as defined under the French Sub-plan), are not subject to the restriction on the sale of Shares during Closed Periods.

Changes in Capitalization. This provision supplements Section 9(u) in the Agreement:

Certain adjustments may disqualify the RSUs, in which case they may no longer benefit from favorable tax and social security treatment in France.

**Language Consent.** If the Participant received this Agreement or any other document related to the Plan or the French Sub-plan translated into French and if the translated version differs from the English version, the English version shall control.

By accepting this grant, the Participant confirms having read and understood the documents relating to the grant (the Plan, the French Sub-plan, and this Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

**Consentement a la Langue.** En acceptant cette attribution, le Participant confirme ainsi avoir lu et compris les documents relatifs à l'attribution (le Plan, le Sous-plan pour la France, et ce Contrat) qui ont été communiqués en langue anglaise. Le Participant accepte les termes en connaissance de cause.

**Foreign Asset/Account Reporting Information.** French residents holding Shares outside of France or maintaining a foreign bank account are required to report such to French tax authorities when filing his or her annual tax return. Failure to comply may trigger significant penalties.

#### **GERMANY**

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. In case of payments in connection with the sale of Shares acquired under the Plan, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English. It is Participant's responsibility to comply with this reporting obligation and the Participant should consult with his or her personal tax advisor in this regard.

#### **HONG KONG**

**Sale of Shares.** In the event the RSUs vest within six months of the Date of Grant, the Participant agrees not to sell any Shares acquired upon vesting of the RSUs prior to the six-month anniversary of the Date of Grant.

**Securities Law Notice.** *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in doubt about any of the contents of this Agreement or the Plan, the Participant should obtain independent professional advice. Neither the grant of the RSUs nor the issuance of Shares upon vesting constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its subsidiaries. The Agreement, the Plan and other incidental materials (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee of the Company and its subsidiaries and may not be distributed to any other person.*

**Nature of Scheme.** The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance

#### **INDIA**

**Exchange Control Notification.** The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares to India and convert the funds into local currency within ninety (90) days of receipt, or such other period of time as required under applicable regulations. The Participant must obtain a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency and maintains the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

**Foreign Asset / Account Reporting Information.** The Participant is required to declare any foreign bank accounts and assets (including Shares acquired under the Plan) on his or her annual tax return. The Participant should consult with his or her personal tax advisor to determine his or her reporting requirements.

#### **IRELAND**

**Manner of Payment.** This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to the Participant in the form of cash.

**Exclusion from Termination Indemnities and Other Benefits.** This provision supplements Section 9(c) of the Agreement:

By accepting the RSUs, the Participant acknowledges, understands, and agrees that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

#### **ISRAEL**

**Trust Arrangement.** The Participant hereby understands and agrees that the RSUs are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the "Sub-Plan") under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement between the trustee appointed by Analog Devices, (Israel) Ltd. (the "Trustee"), the Agreement, and the Plan. In the event of any inconsistencies among the Sub-Plan, the Agreement and/or the Plan, the Participant agrees that the Sub-Plan will govern the RSUs granted to the Participant in Israel.

*If the Participant resides in Israel has not already signed an Israeli Appendix in connection with grants made under the Plan, then the Participant must print, sign and deliver the signed copy of the Israeli Appendix attached hereto as Appendix D within 45 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., One Technology Way, Norwood, Massachusetts, 02062 U.S.A. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive the signed Israeli Appendix within 45 days, the RSUs shall terminate and will become null and void.*

**Vesting.** This provision supplements Section 2(a) in the Agreement:

The Shares issued upon vesting of the RSUs will be registered in the name of the Trustee as required by law to qualify under Section 102 (as defined under the Sub-plan), for the benefit of the Participant, unless otherwise approved in writing by the Israeli Tax Authority. Furthermore, the Participant hereby understands and agrees he or she will not require the Trustee to release or sell the Shares during the Holding Period (as defined under the Sub-Plan), unless permitted under Israeli tax law.

**Restrictions on Transfer.** This provision supplements Section 3(a) in the Agreement:

The Trustee shall not alienate, sell, exchange, transfer, assign, pledge, or otherwise encumber the RSUs or the Shares for the Participant, except as permitted under the Sub-Plan and the terms of Section 102 (as defined in the Sub-Plan), or in the case of death, the Participant's heirs, except by will or by the laws of descent and distribution.

**Manner of Payment.** This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

#### **ITALY**

**Plan Document Acknowledgment.** In accepting the RSU, the Participant acknowledges that a copy of the Plan was made available to the Participant, and that the Participant has reviewed the Plan and the Agreement, including Appendix A, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and Appendix A.

The Participant further acknowledges that he or she has read and specifically and expressly approves the following provision in the Agreement: Vesting and Conversion, Withholding Taxes, and Miscellaneous.

**Foreign Asset Tax.** The value of the financial assets held outside Italy by individuals resident of Italy is subject to a foreign asset tax. Such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (e.g., Shares) assessed at the end of the calendar year.

**Foreign Asset / Account Reporting Information.** If the Participant holds investments abroad or foreign financial assets (e.g., cash, Shares, RSUs) that may generate income taxable in Italy, the Participant is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Participant if he or she is a beneficial owner of the investments, even if the Participant does not directly hold investments abroad or foreign assets.

#### **JAPAN**

**Foreign Asset / Account Reporting Information.** The Participant will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15th each year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding RSUs or Shares acquired under the Plan.

#### **KOREA**

Foreign Asset / Account Reporting Information. Korean residents must declare all foreign financial accounts (i.e., non-Korean bank accounts, brokerage accounts, and so on) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). The Participant should consult with his or her personal tax advisor to determine any personal reporting obligations.

#### **MALAYSIA**

Payment of Tax-Related Items. This provision supplements Section 6 of the Agreement:

The Employer, the Company or one of its subsidiaries may withhold taxes in connection with the RSUs to satisfy the Participant's Tax-Related Items liability in Malaysia. Should withholding not occur, however, the Participant acknowledges that he or she is ultimately responsible for paying any Tax-Related Items legally due by him or her in connection with the RSUs to the Inland Revenue Board of Malaysia.

Director Notification. If the Participant is a director of a subsidiary or other related company in Malaysia, then the Participant is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related companies. In addition, the Participant must notify the Malaysian subsidiary when he or she sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or any related company.

<p>The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, the Employer, and the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.</p>	<p>Peserta dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam dokumen ini, oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat, dan mana-mana anak Syarikatnya bagi tujuan eksklusif untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan Peserta dalam Pelan.</p>
<p>The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The source of the Data is the Employer as well as information the Participant is providing to the Company and the Employer in connection with the RSUs. The Participant understands that Data may be transferred to Fidelity or any other third parties as may be selected by the Company in the future, which are assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon settlement of the Award. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her regional stock plan administrator at <a href="mailto:Stock_Plan_Admin@Analog.com">Stock_Plan_Admin@Analog.com</a>.</p>	<p>Peserta memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang Peserta, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua RSUs atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah Peserta, untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan ("Data"). Sumber Data adalah daripada Majikan dan juga daripada maklumat yang dibekalkan oleh Peserta kepada Syarikat dan Majikan berkenaan dengan RSUs. Penerima Anugerah juga memahami bahawa Data mungkin dipindahkan kepada Fidelity atau mana-mana pihak ketiga yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu dalam pelaksanaan, pentadbiran dan pengurusan Pelan, bahawa penerima-penerima ini mungkin berada di negara Peserta atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Peserta. Peserta memahami bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatannya. Peserta memberi kuasa kepada Syarikat, Fidelity, dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan, termasuk apa-apa pemindahan Data yang diperlukan kepada broker atau pihak ketiga dengan siapa Peserta mungkin pilih untuk menandatangani apa-apa Saham yang diperolehi di atas penyelesaian Anugerah. Peserta memahami bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan tersebut. Peserta memahami bahawa dia boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya. Peserta memahami bahawa keengganan atau penarikan balik persetujuannya boleh menjejaskan keupayaannya untuk mengambil bahagian dalam Pelan. Untuk maklumat lanjut mengenai akibat keenggannya untuk memberikan keizinan atau penarikan balik keizinan, Peserta fahami bahawa dia boleh menghubungi pentadbir pelan saham serantau di <a href="mailto:Stock_Plan_Admin@Analog.com">Stock_Plan_Admin@Analog.com</a>.</p>

## **MEXICO**

Acknowledgment of the Agreement. By participating in the Plan, Participant acknowledges that the Participant has received a copy of the Plan, has reviewed the Plan in its entirety and fully understands and accepts all provisions of the Plan. The Participant further acknowledges that the Participant has read and expressly approves the terms and conditions set forth in the Nature of Grant paragraph of the Agreement, in which the following is clearly described and established: (i) the Participant's participation in the Plan does not constitute an acquired right; (ii) the Plan and the Participant's participation in the Plan are offered by the Company on a wholly discretionary basis; (iii) the Participant's participation in the Plan is voluntary; and (iv) the Company and its subsidiaries are not responsible for any decrease in the value of the underlying Shares.

**Labor Law Policy and Acknowledgment.** By participating in the Plan, the Participant expressly recognizes that Analog Devices, Inc., with registered offices at One Technology Way, Norwood, Massachusetts, 02062 U.S.A., is solely responsible for the administration of the Plan and that the Participant's participation in the Plan and acquisition of Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis. Based on the foregoing, the Participant expressly recognizes that the Plan and the benefits that the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Company and do not form part of the employment conditions and/or benefits provided by the Company and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that the Participant's participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, its subsidiaries, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

**Reconocimiento del Contrato.** *Al participar en el Plan, usted reconoce que ha recibido una copia del Plan, que ha revisado el Plan en su totalidad, y que entiende y acepta en su totalidad, todas y cada una de las disposiciones del Plan. Asimismo reconoce que ha leído y aprueba expresamente los términos y condiciones señalados en el párrafo titulado Naturaleza de la Oferta en el Convenio, en lo que claramente se describe y establece lo siguiente: (i) su participación en el Plan no constituye un derecho adquirido; (ii) el Plan y su participación en el Plan son ofrecidos por la Compañía sobre una base completamente discrecional; (iii) su participación en el Plan es voluntaria; y (iv) la Compañía y sus afiliadas no son responsables de ninguna por la disminución en el valor de las Acciones subyacentes.*

**Política de Legislación Laboral y Reconocimiento.** *Al participar en el Plan, usted reconoce expresamente que Analog Devices, Inc., con oficinas registradas en One Technology Way, Norwood, Massachusetts, 02062 EE.UU, es la única responsable por la administración del Plan, y que su participación en el Plan, así como la adquisición de las Acciones, no constituye una relación laboral entre usted y la Compañía, debido a que usted participa en el plan sobre una base completamente mercantil. Con base en lo anterior, usted reconoce expresamente que el Plan y los beneficios que pudiera obtener por su participación en el Plan, no establecen derecho alguno entre usted y la Compañía, y no forman parte de las condiciones y/o prestaciones laborales que la Compañía ofrece, y que las modificaciones al Plan o su terminación, no constituirán un cambio ni afectarán los términos y condiciones de su relación laboral.*

*Asimismo usted entiende que su participación en el Plan es el resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o suspender su participación en cualquier momento, sin que usted incurra en responsabilidad alguna.*

*Finalmente, usted declara que no se reserva acción o derecho alguno para interponer reclamación alguna en contra de la Compañía, por concepto de compensación o daños relacionados con cualquier disposición del Plan o de los beneficios derivados del Plan, y por lo tanto, usted libera total y ampliamente de toda responsabilidad a la Compañía, a sus afiliadas, sucursales, oficinas de representación, sus accionistas, funcionarios, agentes o representantes legales, con respecto a cualquier reclamación que pudiera surgir.*

## **NETHERLANDS**

**No Entitlement.** This provision supplements Section 9(d) of the Agreement:

By accepting the RSU, the Participant acknowledges that the RSU is intended as an incentive for the Participant to remain employed with the Employer and is not intended as remuneration for labor performed.

## **PHILIPPINES**

**Securities Law Information.** The securities being offered or sold herein have not been registered with the Philippines Securities and Exchange Commission ("PSEC") under its Securities Regulation Code (the "SRC").

The grant of RSUs is being made pursuant to an exemption from registration under Section 10.2 of the SRC that has been approved by the PSEC.

The Participant should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of the Shares on the Nasdaq Global Select Market ("Nasdaq") and the risk of currency fluctuations between the U.S. Dollar and his or her local currency. In this regard, the Participant should note that the value of any Shares he or she may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between his or her local currency and the U.S. Dollar may affect the value of the Shares or any

amounts due to the Participant pursuant to the vesting of the RSUs or the subsequent sale of any Shares acquired by the Participant. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's website at <http://investor.analog.com/sec.cfm>.

The Participant should also note that the sale or disposal of Shares acquired under the Plan may be subject to certain restrictions under Philippines securities laws. Those restrictions should not apply if the offer and resale of Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on Nasdaq. The Company's designated broker should be able to assist the Participant in the sale of Shares on Nasdaq. *If the Participant has questions with regard to the application of Philippines securities laws to the disposal or sale of Shares acquired under the Plan the Participant should consult with his or her legal advisor.*

#### **POLAND**

**Foreign Asset/Account Reporting Information.** If the Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, the Participant will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7,000,000. If required, such reports must be filed on a quarterly basis on special forms available on the website of the National Bank of Poland.

**Exchange Control Information.** The transfer of funds in excess of a certain threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply) into or out of Poland must be made through a bank account in Poland. The Participant understands that he or she is required to store all documents connected with any foreign exchange transactions for a period of five years, as measured from the end of the year in which such transaction occurred. The Participant should consult with his or her personal legal advisor to determine what he or she must do to fulfill any applicable reporting/exchange control duties.

#### **ROMANIA**

**Exchange Control Information.** If the Participant deposits the proceeds from the sale of Shares issued at vesting and settlement of the RSUs in a bank account in Romania, the Participant may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. The Participant should consult his or her personal advisor to determine whether he or she will be required to submit such documentation to the Romanian bank.

#### **SERBIA**

**Securities Law Information.** The grant of RSUs and the issuance of any Shares are not subject to the regulations concerning public offers and private placements under the Law on Capital Markets.

**Exchange Control Information.** Pursuant to the Law on Foreign Exchange Transactions, the Participant is permitted to acquire Shares under the Plan, but a report may need to be made of the acquisition of such Shares, the value of the Shares at vesting, and, on a quarterly basis, any changes in the value of the Shares. As the exchange control regulations in Serbia may change without notice, the Participant should consult with his or her personal advisor with respect to all applicable reporting obligations.

#### **SINGAPORE**

**Securities Law Information.** The RSUs were granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Agreement and the Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the Participant's RSUs are subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

**Chief Executive Officer and Director Notification.** If the Participant is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a subsidiary or other related company in Singapore, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) acquiring or disposing of any interest in the Company



or any related company, or (ii) any change in a previously-disclosed interest (e.g. upon vesting of the RSUs or when Shares are subsequently sold). In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a CEO or director, associate director, or shadow director.

## **SPAIN**

**No Entitlement.** This provision supplements Section 9(d) of the Agreement:

In accepting the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to individuals who may be employees of the Company or its subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any of its subsidiaries on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that the RSUs or the Shares acquired upon settlement shall not become a part of any employment contract (either with the Company or any of its subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the RSU grant would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any RSUs shall be null and void.

Further, and except as provided in Section 2(d) of the Agreement in the event the Participant becomes Disabled, the vesting of the RSUs is expressly conditioned on the Participant's continued rendering of service, such that if the Participant's employment terminates for any reason whatsoever, the RSUs will cease vesting immediately, in whole or in part, effective on the date of the Participant's termination of employment (unless otherwise specifically provided in Section 2 of the Agreement in the event of death). This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (i.e., subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates service due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates service due to a unilateral breach of contract by the Company or a subsidiary; or (5) the Participant's employment terminates for any other reason whatsoever. Consequently, upon termination of the Participant's employment for any of the above reasons, the Participant will automatically lose any rights to RSUs that were not vested on the date of the Participant's termination of employment, as described in the Plan and the Agreement. The Participant understands that the RSU grant would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any RSU grant shall be null and void.

The Participant acknowledges that he or she has read and specifically accepts the conditions referred to in Section 2 of the Agreement.

**Securities Law Notification.** The grant of RSUs and the Shares issued upon vesting of the RSUs are considered a private placement outside the scope of Spanish laws on public offerings and issuances of securities. No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory. This Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

**Exchange Control Notification.** The Participant acknowledges that he or she must declare any Shares that are acquired under the Plan to the *Dirección General de Comercio e Inversiones* of the Ministry of Economy and Competitiveness (the "DGCI"). After the initial declaration, the declaration must be filed with the DGCI on an annual basis each January while the shares are owned; however, if the value of the Shares or the sale proceeds exceed a certain amount, a declaration must be filed within one month of the acquisition or sale, as applicable.

**Foreign Asset / Account Reporting Information.** To the extent that the Participant holds assets (e.g., cash or Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of asset (e.g., Shares, cash, and so on) as of December 31 each year, the Participant will be required to report information on such assets on his or her tax return for such year (tax form 720). After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000. The reporting must be completed by March 31. Failure to comply with this reporting requirement may result in penalties to the Participant. Accordingly, the Participant should consult with his or her personal tax and legal advisors to ensure that he or she is properly complying with his or her reporting obligations.

Further, the Participant is required to declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

## **SWEDEN**

There are no country-specific provisions.

## **SWITZERLAND**

**Securities Law Information.** The grant of RSUs and the issuance of any Shares is not intended to be a public offering in Switzerland and is therefore not subject to registration in Switzerland. Neither this document nor any materials relating to the RSUs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the RSUs has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA)).

## **TAIWAN**

**Data Privacy.** The Participant acknowledges that he or she has read and understands the terms regarding collection, processing and transfer of Data contained in the Data Privacy Information and Consent provision of the Terms and Conditions for Participants outside the U.S. and agrees that, upon request of the Company or the Employer, the Participant will provide any executed data privacy consent form to the Employer or the Company (or any other agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in Participant's country, either now or in the future. The Participant understands he or she will not be able to participate in the Plan if the Participant fails to execute any such consent or agreement.

**Securities Law Information.** The RSUs and participation in the Plan is made available only to employees of the Company and the Employer. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

**Exchange Control Information.** Individuals may acquire foreign currency (including proceeds from the sale of Shares) into Taiwan up to US\$5,000,000 per year without justification.

There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

## **TURKEY**

**Securities Law Information.** Under Turkish law, the Participant is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the Nasdaq Global Select Market, under the ticker symbol "ADI" and the Shares may be sold through this exchange.

**Exchange Control Information.** The Participant may be required to engage a Turkish financial intermediary to assist with the sale of Shares acquired under the Plan. As the Participant is solely responsible for complying with any applicable financial intermediary requirements, the Participant should consider consulting his or her personal legal advisor prior to the vesting of the RSUs or any sale of Shares to ensure compliance.

## **UNITED KINGDOM**

**Manner of Payment.** This provision replaces Section 7 of the Agreement:

Notwithstanding any discretion in the Plan or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued to the Participant. In no event will the Award be paid to Participant in the form of cash.

Furthermore, notwithstanding any provision of the Plan or the Agreement to the contrary, the Participant will not be entitled to receive any Shares pursuant to the vesting of the RSUs unless and until the Participant has executed a Joint Election (as defined below) in connection with the RSUs.

**Joint Election.** As a condition of the grant of RSUs, the Participant agrees to accept any liability for secondary Class 1 National Insurance contributions (the "Employer NICs") which may be payable by the Company or the Employer with respect to the vesting of the RSUs or otherwise payable with respect to a benefit derived in connection with the RSUs.

Without limitation to the foregoing, the Participant agrees to execute a joint election between the Company and/or the Employer and Participant (the "Joint Election"), the form of such Joint Election being formally approved by HMRC, and any other consent or election required to

accomplish the transfer of the Employer NICs to the Participant. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Employer. If the Participant does not enter into a Joint Election, no Shares shall be issued to the Participant without any liability to the Company and/or the Employer. The Participant further agrees that the Company and/or the Employer may collect the Employer NICs from the Participant by any of the means set forth in Section 6 of the Agreement.

*The Joint Election is attached hereto as Appendix E. If the Participant has signed a Joint Election in the past with respect to an RSU award granted to him or her by the Company and that Joint Election applies to all grants made under the Plan, the Participant need not sign another Joint Election in connection with this RSU grant.*

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**TO AUSTRALIAN RESIDENT EMPLOYEES**

**Investment in shares involves a degree of risk. Eligible employees who elect to participate in the Plans should monitor their participation and consider all risk factors relevant to the acquisition of shares of common stock under the Plans as set out in this Offer Document and the Additional Documents.**

**Any information contained in this Offer Document and the Additional Documents is general in nature. It is not advice or information specific to your particular circumstances.**

**Employees should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.**

We are pleased to provide you with this offer to participate in the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the "Plan"). This Offer Document sets out information regarding the grant of restricted stock units ("Restricted Stock Units") over shares of common stock ("Shares") of Analog Devices, Inc. (the "Company") to Australian resident employees and directors of the Company and its Australian Subsidiary.

The Company has adopted the Plan to enable the Company and its subsidiaries to attract, retain and motivate their employees by providing for or increasing the proprietary interests of such employees in the Company. The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000.

Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

**1. OFFER**

This is an Offer of Restricted Share Units, as may be granted from time to time by the Company, to certain eligible employees in accordance with the Plan.

**2. TERMS OF GRANT**

The terms of the grant of Restricted Stock Units incorporate the rules of the Plan, this Offer Document and the Global Restricted Stock Unit Agreement, and Appendix A thereto (the "Agreement"). By accepting a grant of Restricted Stock Units, you will be bound by the rules of the Plan, this Offer Document and the Agreement.

**3. ADDITIONAL DOCUMENTS**

In addition to the information set out in this Offer Document, attached are copies of the following documents:

- (a) the Plan;
- (b) the Plan Prospectus; and
- (c) the Agreement.

(collectively, the "Additional Documents").

The Agreement sets out, among other details, the vesting conditions applicable to your Restricted Stock Units, information on the settlement of your Restricted Stock Units and the consequences of a change in the nature or status of your employment.

The other Additional Documents provide further information to assist you to make an informed investment decision in relation to your participation in the Plan. Neither the Plan nor the 2006 Stock Incentive Plan Prospectus is a prospectus for the purposes of the *Corporations Act*.

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**4. RELIANCE ON STATEMENTS**

You should not rely upon any oral statements made to you in relation to this Offer. You should only rely upon the statements contained in this Offer Document and the Additional Documents when considering your participation in the Plan.

**5. WHO IS ELIGIBLE TO PARTICIPATE?**

You are eligible to participate under the Plan if, at the time of the offer, you are an Australian resident employee or director of the Company or its Australian Subsidiary and meet the eligibility requirements established under the Plan.

**6. ACCEPTING AN AWARD**

The Agreement sets out additional terms and conditions of your Restricted Stock Unit award. You are not required to affirmatively accept your Restricted Stock Units award in writing.

**7. WHAT ARE THE MATERIAL TERMS OF THE RESTRICTED STOCK UNITS?**

**(a) What are Restricted Stock Units?**

Restricted Stock Units represent the right to receive Shares upon fulfilment of the vesting conditions set out in your Agreement. The Restricted Stock Units are considered “restricted” because they are subject to forfeiture and restrictions on transfer until they vest. The restrictions are set forth in your Agreement. When your Restricted Stock Units vest, you will be issued Shares at no monetary cost (other than applicable taxes) to you. Notwithstanding anything to the contrary in the Plan, the Agreement, or any related document, your Restricted Stock Units will be settled in Shares.

**(b) Do I have to pay any money to receive the Restricted Stock Units?**

No. You pay no monetary consideration to receive the Restricted Stock Units, nor do you pay anything to receive the Shares upon vesting (other than applicable taxes).

**(c) How many Shares will I receive upon vesting of my Restricted Stock Units?**

The details of your Restricted Stock Units and the number of Shares subject to the award are set out in the Agreement.

**(d) When do I become a stockholder?**

You are not a stockholder merely as a result of holding Restricted Stock Units. The Restricted Stock Units will not entitle you to any shareholder rights, including the right to vote the Shares or receive dividends, notices of meetings, proxy statements and other materials provided to stockholders, until the restrictions lapse at vesting and the Restricted Stock Units are paid out in Shares. In this regard, you are not recorded as the owner of the Shares prior to vesting. You should refer to your Agreement for details of the consequences of a change in the nature of your employment.

**(e) Can I transfer the Restricted Stock Units to someone else?**

No. The Restricted Stock Units are generally non-transferable, unless otherwise provided in your Agreement; however, once Shares are issued upon vesting, the Shares will be freely tradeable (subject to the Company’s policies and applicable laws regarding insider trading).

**(f) What happens if my employment with the Company or Australian Subsidiary terminates?**

Your right to any unvested Restricted Stock Units will terminate when you terminate employment with the Company or its Australian Subsidiary for reasons including, but not limited to, retirement, resignation, lay-off, discharge, or other change of employment status.

**8. WHAT IS A SHARE IN THE COMPANY**

Common stock of a U.S. corporation is analogous to an ordinary share of an Australian corporation. Each holder of a Share is entitled to one vote for every Share held in the Company.

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Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the board of directors of the Company.

The Shares are traded on the Nasdaq Global Select Market in the United States of America and are traded under the symbol "ADI".

Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

**9. HOW CAN I OBTAIN UPDATED INDICATIVE EXAMPLES OF THE CURRENT MARKET PRICE IN AUSTRALIAN DOLLARS?**

You may ascertain the current market price of the Shares as traded on the Nasdaq at <http://www.nasdaq.com> under the code "ADI". The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This will not be a prediction of what the market price per Share will be when the Restricted Stock Units vest or settle or of the applicable exchange rate on the actual date of vesting or settlement.*

**10. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS' PARTICIPATION IN THE PLAN?**

Australian residents should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of the Shares. For example, the price at which Shares are quoted on the Nasdaq Global Select Market may increase or decrease due to a number of factors. There is no guarantee that the price of the Shares will increase. Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results is included in (a) the Company's latest Annual Report filed pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the latest prospectus filed pursuant to Rule 424(b) under the U.S. Securities Act of 1933, as amended, that contains audited financial statements for the Company's latest fiscal year for which such statements have been filed, and (b) all other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the document referred to in (a). Copies of these reports are available at <http://www.sec.gov/>, on the Company's "Investor Relations" page at <http://investor.analog.com/>, and upon request to the Company.

In addition, you should be aware that the Australian dollar value of the Shares you may acquire at vesting will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

**11. PLAN MODIFICATION, TERMINATION ETC.**

Except as provided in the Plan, the board of directors of the Company may amend or terminate the Plan at any time. In addition, the board of directors may amend, modify or terminate outstanding awards, provided that an award holder's consent is obtained unless the board of directors determines that the action would not materially or adversely affect the award holder.

**12. WHAT ARE THE AUSTRALIAN TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN?**

The following is a summary of the tax consequences as of October 2017 for an Australian resident employee who receives Restricted Stock Units under the Plan. You may also be subject to Medicare levy and surcharge.

We note that for Restricted Stock Units granted under the Plan prior to 1 July 2015, different employee share scheme rules apply. The following taxation summary applies only to Restricted Stock Units granted on or after 1 July 2015. If you hold Restricted Stock Units granted before 1 July 2015, please consult with your personal tax advisor on the applicable tax treatment.

This summary is necessarily general in nature and does not purport to be tax advice in relation to an actual or potential recipient of Restricted Stock Units.

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If you are a citizen or resident of another country for local tax law purposes or if you transfer employment to another country after the Restricted Stock Units are granted to you, the information contained in this summary may not be applicable to you. *You should seek appropriate professional advice as to how the tax or other laws in Australia and in your country apply to your specific situation.*

If you are awarded Restricted Stock Units under the Plan, you should not rely on this summary as anything other than a broad guide, and you should obtain independent taxation advice specific to your particular circumstances before making the decision to accept the Restricted Stock Units.

**(a) What is the effect of the grant of the Restricted Stock Units?**

The Australian tax legislation contains specific rules, in Division 83A of the *Income Tax Assessment Act 1997*, governing the taxation of shares and rights (called “ESS interests”) acquired by employees under employee share schemes. The Restricted Stock Units granted under the Plan should be regarded as a right to acquire shares and accordingly, an ESS interest for these purposes.

Your assessable income includes the ESS interest at grant, unless the ESS interest is subject to a “real risk of forfeiture,” in which case you will be subject to deferred taxation.

In the case of the Restricted Stock Units, the “real risk of forfeiture” test requires that:

- (i) there must be a real risk that, under the conditions of the Plan, you will forfeit the Restricted Stock Units or lose them (other than by disposing of them or in connection with the vesting of the Restricted Stock Units); or
- (ii) there must be a real risk that if your Restricted Stock Units vest, under the conditions of the Plan, you will forfeit the underlying Shares or lose them other than by disposing of them.

The terms of your Restricted Stock Unit award are set out in the Additional Documents. It is understood that your Restricted Stock Units will satisfy the real risk of forfeiture test and that you will be subject to deferred taxation (*i.e.*, you generally should not be subject to tax when the Restricted Share Units are granted to you).

**(b) When will you be taxed if your Restricted Stock Units are subject to a real risk of forfeiture?**

You will be required to include an amount in your assessable income for the income year (*i.e.*, the financial year ending 30 June) in which the earliest of the following events occurs in relation to the Restricted Stock Units (the “ESS deferred taxing point”).

Your ESS deferred taxing point will be the earliest of the following:

- (i) when there are no longer any genuine restrictions on the vesting of the Restricted Stock Units and there is no real risk of you forfeiting your Restricted Stock Units;
- (ii) when the Restricted Stock Units are settled and there is no genuine restriction on the disposal of the underlying Shares; and
- (iii) your cessation of employment (but see Section 11(e) below).

Generally, this means that you will be subject to tax when your Restricted Stock Units vest. However, the ESS deferred taxing point for your Restricted Stock Units will be moved to the time you sell the underlying Shares if you sell the shares within 30 days of the original ESS deferred taxing point. In other words, you must report the income in the income year in which the sale occurs and not when the original ESS deferred taxing point occurs if you sell the underlying Shares in an arm’s length transaction within 30 days of that original ESS deferred taxing point.

In addition to income taxes, the assessable amount may also be subject to Medicare Levy and surcharge (if applicable).

**(c) What is the amount to be included in your assessable income if an ESS deferred taxing point occurs?**

The amount you must include in your assessable income in the income year (*i.e.*, the financial year ending 30 June) in which the ESS deferred taxing point occurs in relation to your Restricted Stock Units (*i.e.*, typically at vesting) will be the difference between the “market value” of the underlying

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Shares at the ESS deferred taxing point and the cost base of the Restricted Stock Units (which should be nil because you do not have to pay anything to acquire the Restricted Stock Units or the underlying Shares).

If, however, you sell the underlying Shares in an arm's length transaction within 30 days of the original ESS deferred taxing point, the amount to be included in your assessable income in the income year in which the sale occurs will be equal to the difference between the sale proceeds and the cost base of the Restricted Stock Units (which, again, should be nil).

**(d) What is the market value of the Underlying Shares?**

The "market value" of the Restricted Stock Units or the underlying Shares, as applicable, at the ESS deferred taxing point is determined according to the ordinary meaning of "market value" expressed in Australian currency. The Company will determine the market value in accordance with guidelines prepared by the Australian Taxation Office.

The Company has the obligation to provide you with certain information about your participation in the Plan at certain times, including after the end of the income year in which the ESS deferred taxing point occurs. This may assist you in determining the market value of your Restricted Stock Units or underlying Shares at the ESS deferred taxing point. However, this estimate may not be correct if you sell the Shares within 30 days of the vesting date, in which case it is your responsibility to report and pay the appropriate amount of tax based on the sales proceeds.

**(e) What happens if I cease employment before my Restricted Stock Units vest?**

If you cease employment with your employer prior to the vesting date of some or all of your Restricted Stock Units and the Restricted Stock Units do not vest upon termination of employment (*i.e.*, they are forfeited), you may be treated as having never acquired the forfeited Restricted Stock Units in which case, no amount will be included in your assessable income.

**(f) What tax consequences will arise when I sell my Shares?**

If you sell the Shares acquired upon vesting of your Restricted Stock Units within 30 days of the original ESS deferred taxing point, your ESS deferred taxing point will be shifted to the date of sale for purposes of determining the amount of assessable income as described in Section 11(c) and you will not be subject to capital gains taxation.

If you sell the Shares acquired upon vesting of your Restricted Stock Units more than 30 days after the original ESS deferred taxing point, you will be subject to capital gains taxation to the extent that the sales proceeds exceed your cost basis in the Shares sold, assuming that the sale of Shares occurs in an arm's-length transaction (as will generally be the case provided that the Shares are sold through the Nasdaq Stock Exchange). Your cost basis in the Shares will generally be equal to the market value of the Shares at the ESS deferred taxing point (which will generally be the vesting date) plus any incremental costs you incur in connection with the sale (e.g., brokers fees).

The amount of any capital gain you realize must be included in your assessable income for the year in which the Shares are sold. However, if you hold the Shares for at least one year prior to selling (excluding the dates you acquired and sold the Shares), you may be able to apply a discount to the amount of capital gain that you are required to include in your assessable income. If this discount is available, you may calculate the amount of capital gain to be included in your assessable income by first subtracting all available capital losses from your capital gains and then multiplying each capital gain by the discount percentage of 50%.

You are responsible for reporting any income you realize from the sale of Shares acquired upon vesting of Restricted Stock Units and paying any applicable taxes due on such income.

If your sales proceeds are lower than your cost basis in the Shares sold (assuming the sale occurred in an arm's-length transaction), you will realize a capital loss. Capital losses may be used to offset capital gains realized in the current tax year or in any subsequent tax year, but may not be used to offset other types of income (e.g., salary or wage income).

**(g) What are the taxation consequences if a dividend is paid on the Shares?**

If you vest in the Restricted Stock Units and become a Company stockholder, you may be entitled to receive dividends on the Shares obtained from vesting in the Restricted Stock Units if the board of directors of the Company, in its discretion, declares a dividend. Any dividends paid on Shares will be subject to income tax in Australia in the tax year they are paid (even where such dividends are reinvested in Shares). The dividends are also subject



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to U.S. federal income tax withheld at source. You may be entitled to a foreign tax credit against your Australian income tax for the U.S. federal income tax withheld on any dividends.

**(h) What are the tax withholding and reporting obligations associated with the Restricted Stock Units?**

You will be responsible for reporting on your tax return and paying any tax liability in relation to the Restricted Stock Units and any Shares issued to you at vesting. It is also your responsibility to report and pay any tax liability on the sale of any Shares acquired under the Plan any dividends received.

Your employer will be required to withhold tax due on the Restricted Stock Units only if you have not provided your Tax File Number or Australian Business Number, as applicable, to your employer.

However, the Company or your employer will provide you (no later than 14 July after the end of the year) and the Commissioner of Taxation (no later than 14 August after the end of the year) with a statement containing certain information about your participation in the Plan in the income year in which the original ESS deferred taxing point occurs (typically the year of vesting). This statement will include an estimate of the market value of the underlying Shares at the taxing point. Please note, however, that, if you sell the Shares within 30 days of the ESS deferred taxing point, your taxing point will not be at the original ESS deferred taxing point, but will be the date of sale; as such, the amount reported by your employer may differ from your actual taxable amount (which would be based on the value of the Shares when sold, rather than at the ESS deferred taxing point). *You will be responsible for determining this amount and calculating your tax accordingly.*

**13. WHAT ARE THE U.S. TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN?**

Australian residents who are not U.S. citizens or tax residents should not be subject to U.S. tax by reason only of the award or vesting of the Restricted Stock Units and/or the sale of Shares, except with respect to dividends as described above. However, liability for U.S. tax may accrue if an Australian resident is otherwise subject to U.S. tax.

This is only an indication of the likely U.S. tax consequences for an Australian resident who is awarded Restricted Stock Units under the Plan. Each Australian resident should seek his or her own advice as to the U.S. tax consequences of the Plan.

We urge you to carefully review the information contained in this Offer Document and the Additional Documents.

**ANALOG DEVICES, INC.**

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## APPENDIX C

### **EMPLOYER INFORMATION STATEMENT – DENMARK RESTRICTED STOCK UNIT GRANT ON {GRANTDATE}**

Pursuant to section 3(1) of the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the “Stock Option Act”), you are entitled to receive the following information regarding the grant of Restricted Stock Units (“RSUs”) by Analog Devices, Inc. (the “Company”) under the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the “Plan”) in a separate written statement. This statement contains only the information mentioned in the Stock Option Act; the other terms and conditions of your grant of RSUs is described in detail in your Global Restricted Stock Unit Agreement (the “Agreement”), the addendum to your Agreement and the Plan.

#### **1. Date of Grant**

The Company approved the grant of RSUs under the Plan on {GRANTDATE}. On this basis, the Date of Grant for your RSUs is {GRANTDATE}.

#### **2. Terms and Conditions of the RSU Grant**

The grant of RSUs and other awards under the Plan is made at the sole discretion of the Company. In determining who will receive RSUs, the number of shares of the Company’s common stock that are subject to the RSUs, and all other terms and conditions of the RSUs, the Company will consider a number of factors, including (but not limited to) the Company’s past, present and projected financial results, your personal performance and the value of the services that you render on the future value of the Company and its ongoing operations. Notwithstanding, the Company may decide, in its sole discretion, not to grant you additional RSUs or other awards under the Plan in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future RSU grants or other awards under the Plan.

#### **3. Vesting Date of RSUs**

Your RSUs will vest in accordance with the vesting schedule set forth in Section 1 of your Agreement. If you do not remain employed with the Company or one of the Company’s subsidiaries through the vesting date, you may forfeit all or a portion of your RSUs as of the effective date of your termination, depending upon the particular circumstances of your termination and when it occurs. In this regard, please see Section 5 below.

When your RSUs vest, the Company will issue one share of the Company’s common stock to you in settlement of each vested RSU.

#### **4. Exercise Price**

Because each RSU entitles you to receive one share of the Company’s common stock on the date of vesting without any cost to you or other payment required from you, there is no exercise price associated with the RSUs.

#### **5. Your Rights upon Termination of Service**

Under the Stock Option Act, your RSUs will survive and will not be forfeited if you are terminated by your employer for any reason other than gross misconduct (as determined under Danish law). This means that you may be entitled to continue to vest in the RSUs (as if you were still an employee) in accordance with your Agreement and the Plan, and, in certain circumstances, you may be eligible to receive a pro-rata grant of additional RSUs if a new grant of RSUs is made in the year you are terminated (the calculation of any pro-rata grant will be made in accordance with Section 5 of the Stock Options Act). This provision will not apply if the termination is due to your breach of your employment contract.

The RSUs also will survive if you resign your employment because of your employer’s gross misconduct (as determined under Danish law).

If you resign from your employment for other reasons, the vesting and forfeiture of your RSUs will be determined in accord with the terms of your Agreement. In addition, you will be ineligible to receive any additional RSU grants after your resignation.

#### **6. Financial Aspects of Participating in the Plan**

The grant of RSUs has no immediate financial consequences for you. The value of the RSUs is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary. The tax treatment of RSUs depends on a number of aspects and thus, you are encouraged to seek particular advice regarding your tax position.

Shares of stock are financial instruments and investing in stocks will always have financial risk. The possibility of profit at the time of vesting will not only be dependent on the Company’s financial performance, but inter alia, also on the general development of the stock markets. In

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**EMPLOYER INFORMATION STATEMENT – DENMARK  
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addition, before or after you vest in your RSUs, the shares of the Company's common stock could decrease in value even below the price of such stock on the Date of Grant.

**7. Other Issues**

This Statement does not intend to alter any provisions of the Plan or the Agreement (or any related document), and the Plan and the Agreement (and any related document) shall prevail in case of any ambiguities. However, your mandatory rights under the Stock Option Act shall prevail in case of any ambiguities.

Notice Provided By:

Analog Devices, Inc.

Three Technology Way

Norwood, MA 02062

U.S.A.

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**ARBEJDSGIVERERKLÆRING – DANMARK**  
**Tildeling af "Restricted Stock Units" den {DENGRANTDATE}**

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Analog Devices, Inc.'s ("Selskabets") tildeling af "Restricted Stock Units" ("RSU'er") i henhold til Analog Devices, Inc.'s ændrede og genfremsatte 2006 medarbejderaktieordning ("Ordnningen"). Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven. De øvrige vilkår og betingelser for tildelingen er beskrevet nærmere i *Global Restricted Stock Unit Agreement* ("Aftalen"), i tillægget til Aftalen og i Ordnningen.

**1. Tildelingsdato**

Selskabets godkendte den {DENGRANTDATE} tildelingen af RSU'er i henhold til Ordnningen. Tildelingsdatoen for dine RSU'er er således den {DENGRANTDATE}.

**2. Vilkår og betingelser for RSU-tildelingen**

RSU-tildelingen og øvrige tildelinger under Ordnningen foretages efter Selskabets eget skøn. Ved fastlæggelsen af, hvem der skal modtage RSU'er, hvor mange af Selskabets ordinære aktier, der skal være genstand for RSU'er, og de øvrige vilkår og betingelser for RSU'erne, lægger Selskabet vægt på en række faktorer, herunder bl.a. Selskabets historiske, nuværende og forventede regnskabsmæssige resultater, dine personlige resultater og værdien af dine ydelser for Selskabets fremtidige værdi og løbende drift. Uanset ovenstående kan Selskabet frit vælge ikke at foretage yderligere RSU-tildelinger eller andre tildelinger til dig fremover. I henhold til Ordnningen og Aftalen har du ikke ret til eller krav på fremover at modtage RSU-tildelinger eller andre tildelinger.

**3. Modningsdato for RSU'er**

Dine RSU'er modnes som anført i den modningsplan, der fremgår af afsnit 1 i Aftalen. Hvis du ikke forbliver ansat i Selskabet eller i et af Selskabets datterselskaber frem til modningsdatoen, kan du miste dine RSU'er helt eller delvist med virkning fra fratrædelsestidspunktet afhængig af de konkrete omstændigheder i forbindelse med din fratreden og tidspunktet herfor. Der henvises i den forbindelse til pkt. 5 nedenfor.

Når RSU'erne modnes, udsteder Selskabet én ordinær aktie i Selskabet til dig for hver RSU, der er modnet.

**4. Udnyttelseskurs**

Da hver RSU giver dig ret til at modtage én ordinær aktie i Selskabet på modningsdatoen, uden at du vil skulle betale nogen omkostninger eller andre beløb, er der ingen udnyttelseskurs forbundet med RSU'erne.

**5. Din retsstilling i forbindelse med fratreden**

I henhold til Aktieoptionsloven vil dine RSU'er fortsat være gyldige og fortabes ikke, hvis din arbejdsgiver afskediger dig, bortset fra som følge af grov pligtforsømmelse (ifølge dansk ret). Det betyder, at du fortsat kan have krav på at få overdraget RSU'erne (som om du stadig var ansat) i overensstemmelse med Aftalen og Ordnningen, og du vil i særlige tilfælde være berettiget til at modtage en forholdsmæssig tildeling af yderligere RSU'er, hvis der sker en ny tildeling af RSU'er i det år, hvor du fratræder (beregningen af en eventuel forholdsmæssig tildeling foretages i henhold til Aktieoptionslovens § 5). Denne bestemmelse finder ikke anvendelse, såfremt opsigelsen skyldes din misligholdelse af ansættelseskontrakten.

RSU'erne vil også fortsat være gyldige, hvis din fratreden skyldes grov pligtforsømmelse (ifølge dansk ret) fra arbejdsgiverens side.

Hvis du fratræder din stilling af andre årsager, afhænger modningen og fortabelsen af RSU'erne af vilkårene i Aftalen. Derudover vil du ikke være berettiget til at få tildelt yderligere RSU'er efter din fratreden.

**6. Økonomiske aspekter ved at deltage i Ordnningen**

Tildelingen af RSU'er har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af RSU'erne indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser. Den skattemæssige behandling af RSU'erne afhænger af flere forhold, og du opfordres derfor til at søge særskilt rådgivning vedrørende din skattemæssige situation.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for at opnå en fortjeneste på modningstidspunktet afhænger således ikke kun af Selskabets økonomiske udvikling, men også af den generelle udvikling på aktiemarkedet. Derudover kan kursen på Selskabets aktier både før og efter overdragelsen af RSU'erne falde, måske endda til et niveau, der ligger under kursen på Tildelingsdatoen.

**7. Diverse**

Denne Erklæring har ikke til formål at ændre bestemmelserne i Ordnningen eller Aftalen (eller i et dertil tilhørende dokument), og Ordnningen og Aftalen (og eventuelle dertil tilhørende dokumenter) har forrang i tilfælde af flertydighed. Dine lovfæstede rettigheder i henhold til Aktieoptionsloven har dog forrang i tilfælde af flertydighed.

**ARBEJDSGIVERERKLÆRING – DANMARK**  
**Tildeling af "Restricted Stock Units" den {DENGRANTDATE}**

Meddelelse afgivet af:

Analog Devices, Inc.

Three Technology Way

Norwood, MA 02062

U.S.A.

APPENDIX C - 4

VERSION 11/17

**APPENDIX D**

**ISRAELI APPENDIX**

**Trust Arrangement. If the Participant resides in Israel and has not already signed an Israeli Appendix in connection with grants made under the Amended and Restated Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan"), then the Participant must print, sign & deliver the signed copy of this Israeli Appendix within 45 days to: Stock Plan Administrator, Treasury Department, Analog Devices, Inc., Norwood, Massachusetts, 02062 USA.**

The Participant hereby understands and agrees that the RSUs are offered subject to and in accordance with the terms of the Israeli Sub-Plan (the "Sub-Plan") to the Plan under the 102 Capital Gains Track (as defined in the Sub-Plan), the Trust Agreement between the trustee appointed by Analog Devices, (Israel) Ltd. (the "Trustee"), Global Restricted Stock Unit Agreement, including Appendix A thereto (collectively, the "Restricted Stock Unit Agreement"), and the Plan. In the event of any inconsistencies among the Sub-Plan, the Restricted Stock Unit Agreement, and/or the Plan, the Participant agrees that the Sub-Plan will govern the RSUs granted to the Participant in Israel.

**Please sign this Israeli Appendix and return it to the address shown on the top within 45 days of receipt. If Analog Devices, (Israel) Ltd. or Analog Devices, Inc. does not receive your signed Israel Appendix, your RSUs shall terminate and will become null and void.**

Name: {EMPNAME}

Date

APPENDIX D - 1

VERSION 11/17

**APPENDIX E**  
**ANALOG DEVICES, INC.**  
**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

Onscreen disclaimer

If you are liable for National Insurance contributions ("NICs") in the United Kingdom in connection with your restricted stock units ("Awards"), you are required to enter into an Election to transfer to you any liability for employer's NICs that may arise in connection with your awards.

Clicking on the "ACCEPT" box indicates your acceptance of the Election. You should read the "Important Note on the Election to Transfer Employer NICs" before accepting the Election.

**Important Note on the Election to Transfer Employer NICs**

If you are liable for National Insurance contributions ("NICs") in the United Kingdom in connection with Awards that have been granted or assumed and converted under the Analog Devices, Inc. 2006 Stock Incentive Plan (the "Plan"), you are required to enter into an Election to transfer to you any liability for employer's NICs that may arise in connection with your Awards.

By entering into the Election:

- you agree that any employer's NICs liability that may arise in connection with your Awards will be transferred to you;
- you authorise your employer to recover an amount sufficient to cover this liability by such methods including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your Awards; and
- you acknowledge that even if you have clicked on the "ACCEPT" box where indicated, the Company or your employer may still require you to sign a paper copy of this Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Election.

Please read the Election carefully before accepting the Election.

Please print and keep a copy of the Election for your records.

APPENDIX E - 1

VERSION 11/17

**APPENDIX E**  
**ANALOG DEVICES, INC.**  
**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “**Employee**”), who is employed by one of the employing companies listed in the attached schedule (the “**Employer**”) and who is eligible to receive restricted stock units (“**Awards**”) pursuant to the Analog Devices, Inc. Amended and Restated 2006 Stock Incentive Plan (the “**Plan**”), and
- B. Analog Devices, Inc. of One Technology Way, Norwood, Massachusetts 02062, U.S.A. (the “**Company**”), which may grant Awards under the Plans and is entering into this Election on behalf of the Employer.

**1. Introduction**

1.1 This Election relates to all Awards granted to the Employee or assumed and converted under the Plan up to the termination dates of the Plans.

1.2 In this Election the following words and phrases have the following meanings:

(a) “**Chargeable Event**” means, in relation to the Awards:

- (i) the acquisition of securities pursuant to restricted stock units and/or stock purchase rights (within section 477(3)(a) of ITEPA);
- (ii) the assignment (if applicable) or release of the restricted stock units in return for consideration (within section 477(3)(b) of ITEPA);
- (iii) the receipt of a benefit in connection with the restricted stock units, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);
- (iv) post-acquisition charges relating to the shares acquired pursuant to the restricted stock units (within section 427 of ITEPA); and/or
- (v) post-acquisition charges relating to the shares acquired pursuant to the restricted stock units (within section 439 of ITEPA).

(b) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.

(c) “**SSCBA**” means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the employer's secondary Class 1 National Insurance Contributions (the “**Employer's Liability**”) which may arise on the occurrence of a Chargeable Event in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

**2. The Election**



**APPENDIX E**  
**ANALOG DEVICES, INC.**

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**

**Election To Transfer the Employer's National Insurance Liability to the Employee**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

**3. Payment of the Employer's Liability**

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:

- (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
- (ii) directly from the Employee by payment in cash or cleared funds; and/or
- (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards; and/or
- (iv) by any other means specified in the applicable award agreement.

3.2 The Company hereby reserves for itself and the Company the right to withhold the transfer of any securities related to the Awards to the Employee until full payment of the Employer's Liability is received.

3.3 The Company agrees to remit the Employer's Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

**4. Duration of Election**

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 This Election will continue in effect until the earliest of the following:

- (i) the Employee and the Company agree in writing that it should cease to have effect;
- (ii) on the date the Company serves written notice on the Employee terminating its effect;
- (iii) on the date HM Revenue & Customs withdraws approval of this Election; or
- (iv) after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

4.3 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

Any reference in this Election to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and the relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 ITEPA applies.

**Acceptance by the Employee**

The Employee acknowledges that, by clicking on the "ACCEPT" box, the Employee agrees to be bound by the terms of this Election.

**Acceptance by Analog Devices, Inc.**

Analog Devices, Inc. acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, Analog Devices, Inc. agrees to be bound by the terms of this Election.

Signature for and on

**APPENDIX E**  
**ANALOG DEVICES, INC.**  
**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

behalf of Analog Devices, Inc. \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

APPENDIX E - 4

VERSION 11/17

**APPENDIX E**  
**ANALOG DEVICES, INC.**  
**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

**Schedule of Employer Companies**

The following are employer companies to which this Election may apply:

*For each company, provide the following details:*

Analog Devices Limited

Registered Office:	Unit 3 Horizon Business Village, 1 Brooklands Road, Weybridge, Surrey, KT13 OTJ
Company Registration Number:	895439
Corporation Tax Reference:	6873689030216A
PAYE Reference:	120/A4055

Linear Technology (UK) Limited

Registered Office:	3 The Listons, Liston Road, Marlow, Buckinghamshire, SL7 1FD
Company Registration Number:	2149602
Corporation Tax Reference:	120PA00148447
PAYE Reference:	120/L30589

**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**

**Private & Confidential (Addressee Only)**

{EMPNAME}

{EMPNUM}

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. Amended and Restated 2006 Stock 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:** {GRANTDATE}

**Number of Performance RSUs ("Initial Grant Number"):** {PERFSHARESGRANTED}

**Vesting Date:** {PERFVESTDATE}

If the Participant resides in a European Economic Area or European Union member state, due to local legal requirements the Participant **must accept** this Agreement no later than {270DAYS+GRANTDATE} or **this Award shall terminate and will become null and void**. For purposes of this Agreement, the Participant is deemed to reside in the country where his or her Employer is located.

If the Participant resides in the United States and does not accept this Agreement by {270DAYS+GRANTDATE}, or such other date that may be communicated, the Company will automatically accept the Agreement on the Participant's behalf. If the Participant declines this Agreement, this Award shall terminate and will become null and void. The Participant may not decline this Agreement on or after {270DAYS+GRANTDATE}.

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, US\$0.16 2/3 par value, of the Company ("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 Section 1 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 issuance of any Shares upon the vesting and conversion of Performance RSUs, 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 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) As set forth in Appendix A, 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) As set forth in Appendix A, 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. "Disabled" with respect to the Participant means, when and if, as a result of disease, injury or mental disorder, the Participant is incapable of engaging in regular service or occupation with the Company or the Employer (as defined in paragraph e) which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Company.
- (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 <http://signals.corpnt.analog.com/default.aspx>. (From Signals 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 or the Participant's regional stock plan administrator can provide the Participant with copies.
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 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 the obligations 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 (as defined under the Plan) 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 applicable vesting date); 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 problematic 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 applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates. 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 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 applicable vesting date). 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, 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) **Exclusion from Termination Indemnities and Other Benefits.** This Section 9(c) applies if the Participant resides outside the U.S.: The value of the Performance RSUs and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's employment with the Company or the Employer (and the Participant's employment contract, if any). Any grant under the Plan, including the grant of the Performance RSUs and the income and value of same, is not part of normal or expected compensation or salary. Further, the Performance RSUs and the Shares, and the income and value of same, are not intended to replace any pension rights or compensation.
- (d) **No Entitlement.** This Section 9(d) applies if the Participant resides outside the U.S. and/or the Company is not the Participant's employer: In consideration of the grant of Performance RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance RSUs resulting from termination of the Participant's employment with the Company or the Employer (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment contract, if any) and the Participant irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim.
- (e) **Exchange Rates.** This Section 9(e) applies if the Participant resides outside the U.S.: The Participant acknowledges and agrees that neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Performance RSUs or of any amounts due to the Participant pursuant to the vesting and settlement of the Performance RSUs or the subsequent sale of any Shares.
- (f) **Future Value of Shares.** The future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty.
- (g) **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.
- (h) **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.
- (i) **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 Technology Way, Norwood, Massachusetts, 02062, 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.
- (j) **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.
- (k) **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.
- (l) **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.

- (m) 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.
- (n) 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.
- (o) 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.
- (p) 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.
- (q) English Language. The Participant acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Performance RSUs, be drawn up in English. If the Participant has received this Agreement, the Plan or any other documents related to the Performance RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.
- (r) Appendix B. Notwithstanding any provisions herein to the contrary, if the Participant transfers the Participant's residence and/or employment to a country other than the United States, the Performance RSUs shall be subject to any special terms and conditions for such country as may be set forth in Appendix B to this Agreement. Moreover, if the Participant relocates to one of the countries included in Appendix B, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix B constitutes part of this Agreement.
- (s) 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.
- (t) Private Placement. The Company has submitted filings in the United States in connection with the stock incentive plan under which this Award was made. The Company has not submitted any registration statement, prospectus or other filings with other local securities authorities (unless otherwise required under such local law), and the grant of the Award is not intended to be a public offering of securities in any other jurisdiction or subject to the supervision of other local securities authorities.
- (u) 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.
- (v) 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.

- (w) 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) under the Plan 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. Keep in mind third parties includes fellow employees. 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.
- (x) Foreign Asset/Account, Exchange Control, and Tax Reporting. Depending on the Participant's country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the Performance RSUs, the acquisition, holding, and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintenance of a brokerage or bank account in connection with the Plan. The Participant may be required to report such assets, accounts, account balances and values and/or related transactions to the applicable authorities in his or her country. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements. The Participant further understands that he or she should consult the Participant's personal legal advisor on these matters.
- (y) 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.

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Ray Stata Vincent Roche  
Chairman of the Board President & Chief Executive Officer

APPENDIX A TO

AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

1. Performance Period. The three-year period beginning on {GRANTDATE} and ending on {GRANTDATE+3YRS} (the "Performance Period").
2. Vesting Date. {PERFVESTDATE}.
3. Certification Date: The date the Compensation Committee of the Board certifies in writing, in accordance with the requirements of Section 162(m) of the Code, the level of attainment of the Performance Parameters. The Certification Date shall be a date as soon as possible following the end of the Performance Period but prior to the Vesting Date.
4. Performance-Based Vesting Terms. Except as provided in the following sentence, the Participant shall vest on the Vesting Date in the number of Performance RSUs, if any, that the Compensation Committee of the Board shall determine to be vested based on the determination of the certified level of attainment of the Performance Parameters, provided the Participant continues to provide services to the Company or Employer or respective successor through the Vesting Date. In the event the Participant's employment is terminated by reason of the Participant's death or Disability prior to the end of the Performance Period, the Unvested Performance RSUs shall vest immediately upon termination with respect to the Initial Grant Number of Shares underlying the Performance RSUs, notwithstanding that the Participant's employment is terminated prior to the Vesting Date. If the Participant's employment is terminated by reason of the Participant's death or Disability after the end of the Performance Period, the Unvested Performance RSUs shall vest in accordance with the first sentence of this Section 4 had the Participant continued employment through the Vesting Date.
5. Performance Parameters. The Performance Parameters are based on the comparison of the TSR (as defined below) of the Company relative to the median TSR of the Peer Group (as defined below) during the Performance Period and are equal to 100% plus or minus two times the difference between the Company's TSR and the median Peer Group TSR. 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, up to a maximum of 100% of the Initial Grant Number if the Company's TSR is negative. Attainment among Performance Parameters is subject to interpolation on a linear basis.

"Peer Group" shall mean a peer group of companies established by the Compensation Committee of the Board at the time the Performance RSUs are granted to the Participant and the stock of which continues to be traded on a publicly traded stock exchange as of the last day of the Performance Period.

Total Shareholder Return ("TSR") shall be computed according to the following formula:

$$\text{TSR} = \frac{(\text{Ending Stock Price} - \text{Beginning Stock Price} + \text{Cumulative Cash Dividend Payments})}{(\text{Beginning Stock Price})}$$

"Beginning Stock Price" shall mean the average of the closing prices of the applicable stock for the 90 calendar days starting and including the first day of the Performance Period.

"Ending Stock Price" shall mean the average of the closing price of the applicable stock for the 90 calendar days up to and including the last day of the Performance Period.

"Cumulative Cash Dividend Payments" shall mean the sum of all cash dividends declared during the Performance Period, based on their ex-dividend date.

The stock prices and cash dividend payments reflected in the calculation of TSR shall be adjusted to reflect stock splits during the Performance Period, and dividends shall not be reinvested in the calculation of TSR.

**APPENDIX A TO  
 AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**

Three examples are set forth below:

Payout Percent	Number of Potential Shares Attained	Performance Parameters
0%	0	Company TSR minus Peer Group Median TSR is less than or equal to -50
100%	{PERFSHARESGRANTED}	Company TSR minus Peer Group Median TSR equals 0
200%	{MAXPOTENTIALSHARES}	Company TSR minus Peer Group Median TSR is greater than or equal to +50

The Performance Parameters shall be subject to the adjustments approved by the Compensation Committee of the Board and set forth in writing at the time the Performance Parameters are approved, which adjustments shall be made in accordance with the requirements of Code Section 162(m) to the extent the Performance RSUs are intended to constitute qualified performance-based compensation, provided that the Compensation Committee of the Board may exercise its discretion to adjust the Performance Parameters in a manner that would result in a decrease to the number of the Performance RSUs that would otherwise vest based on the attainment of the Performance Parameters.

**APPENDIX B TO**  
**AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN**  
**PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**

This Appendix B includes additional terms and conditions that govern the Performance RSUs granted to the Participant if the Participant resides and/or works in one of the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Capitalized terms used but not defined in this Appendix B shall have the meanings set forth in the Plan and/or the Agreement.

This Appendix B also includes certain issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, income tax and other laws in effect in the respective countries as of November 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date when the Performance RSUs vest or Shares acquired under the Plan subsequently are sold.

In addition, the information is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Therefore, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, the Participant understands that if he or she is a citizen or resident of a country other than the one in which the Participant is currently residing and/or working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

**TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS OUTSIDE THE U.S.**

Data Privacy Information and Consent. The Company is located at One Technology Way, Norwood, Massachusetts, 02062 U.S.A. and grants employees of the Company and its subsidiaries Performance RSUs, at the Company's sole discretion. If the Participant would like to participate in the Plan, please review the following information about the Company's data processing practices and declare the Participant's consent.

- (a) Data Collection and Usage. The Company collects, processes and uses personal data of Participants, including, name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of stock or directorships held in the Company, and details of all Performance RSUs, canceled, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. If the Company offers the Participant a grant of Performance RSUs under the Plan, then the Company will collect the Participant's personal data for purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of the Participant's personal data would be his or her consent.
- (b) Stock Plan Administration Service Providers. The Company transfers participant data to Fidelity, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's data with another company that serves in a similar manner. The Company's service provider will open an account for the Participant to receive and trade shares of Common Stock. The Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Participant's ability to participate in the Plan.
- (c) International Data Transfers. The Company and its service providers are based in the United States. If the Participant is outside the United States, the Participant should note that his or her country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program. The Company's legal basis for the transfer of the Employee's personal data is his or her consent.
- (d) Data Retention. The Company will use the Participant's personal data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and security laws. When the Company no longer needs the Participant's personal data, which will generally be seven years after the Participant is granted Performance RSUs under the Plan, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.

APPENDIX B TO

AMENDED AND RESTATED 2006 STOCK INCENTIVE PLAN  
PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

- (e) Voluntariness and Consequences of Consent Denial or Withdrawal. The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if the Participant withdraws his or her consent, the Participant cannot participate in the Plan. This would not affect the Participant's salary as an employee or his or her career; the Participant would merely forfeit the opportunities associated with the Plan.
- (f) Data Subject Rights. The Participant has a number of rights under data privacy laws in his or her country. Depending on where the Participant is based, the Participant's rights may include the right to (a) request access or copies of personal data the Company processes, (b) rectification of incorrect data, (c) deletion of data, (d) restrictions on processing, (e) portability of data, (f) to lodge complaints with competent authorities in the Participant's country, and/or (g) a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise the Participant's rights please contact the Company at Analog Devices, Inc., One Technology Way, Norwood, Massachusetts, 02062 U.S.A., Attention: Stock Plan Administrator, Treasury Department.

If the Participant agrees with the data processing practices described in this notice, please declare the Participant's consent by clicking "Accept Your Grant" on the Accepting Your Grants page on Fidelity's participant website.

**IRELAND**

Exclusion from Termination Indemnities and Other Benefits. This provision supplements Section 9(b) of the Agreement:

By accepting the Performance RSUs, the Participant acknowledges, understands, and agrees that the benefits received under the Plan will not be taken into account for any redundancy or unfair dismissal claim.

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APPENDIX B - 2

VERSION 11/17

## Analog Devices, Inc.

## Ratio of Earnings to Fixed Charges

(In thousands, except ratios)	Fiscal Year Ended					Quarter Ended
	Nov. 2, 2013	Nov. 1, 2014	Oct. 31, 2015	Oct. 29, 2016	Oct. 28, 2017	Feb. 3, 2018
<b>Determination of earnings:</b>						
Income from continuing operations before provision for taxes on income	\$ 815,323	\$ 729,345	\$ 810,114	\$ 956,921	\$ 828,485	\$ 338,854
Amortization of Capitalized interest	54	54	54	54	54	14
Fixed charges	32,223	35,973	28,191	86,921	250,182	68,890
Total earnings as defined	<u>847,600</u>	<u>765,372</u>	<u>838,359</u>	<u>1,043,896</u>	<u>1,078,721</u>	<u>407,758</u>
<b>Fixed Charges:</b>						
Interest and amortization expense	31,585	35,055	27,368	85,808	248,554	67,335
Interest portion of rent expense	638	918	823	1,113	1,628	1,555
Fixed charges	32,223	35,973	28,191	86,921	250,182	68,890
Capitalized interest	—	—	—	—	—	—
Total fixed charges	<u>\$ 32,223</u>	<u>\$ 35,973</u>	<u>\$ 28,191</u>	<u>\$ 86,921</u>	<u>\$ 250,182</u>	<u>\$ 68,890</u>
Ratio of earnings to fixed charges	<u>26.3</u>	<u>21.3</u>	<u>29.7</u>	<u>12.0</u>	<u>4.3</u>	<u>5.9</u>

**CERTIFICATION**

I, Vincent Roche, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Analog Devices, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 28, 2018

/s/ VINCENT ROCHE

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Vincent Roche  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION**

I, Prashanth Mahendra-Rajah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Analog Devices, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 28, 2018

/s/ Prashanth Mahendra-Rajah

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Prashanth Mahendra-Rajah  
Senior Vice President, Finance  
and Chief Financial Officer  
(Principal Financial Officer)



**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Analog Devices, Inc. (the "Company") for the period ended February 3, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Vincent Roche, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2018

/S/ VINCENT ROCHE

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Vincent Roche

Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Analog Devices, Inc. (the "Company") for the period ended February 3, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Prashanth Mahendra-Rajah, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2018

/s/ Prashanth Mahendra-Rajah

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Prashanth Mahendra-Rajah

Chief Financial Officer

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following tables present unaudited pro forma condensed combined financial information about Analog Devices, Inc.'s ("Analog Devices") consolidated statement of income, after giving effect to the merger (the "Merger") with Linear Technology Corporation ("Linear") which was consummated on March 10, 2017, certain related financing arrangements described in Note 1—Description of the Merger (the "Financing Arrangements"), and Analog Devices' December 2016 bond offering (the "December Bond Offering", and collectively with the Merger and the Financing Arrangements, the "Transactions"). The unaudited pro forma condensed combined financial information is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Analog Devices as of and for the year ended October 28, 2017 included in Analog Devices' Annual Report on Form 10-K, filed with the SEC on November 22, 2017.

The unaudited pro forma condensed combined statement of income combines the historical audited consolidated statement of income of Analog Devices for the year ended October 28, 2017 with the historical unaudited consolidated income statement data of Linear for the period from October 30, 2016 through March 10, 2017 and gives effect to the Transactions as if they occurred on October 30, 2016. The historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Transactions, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined entity's consolidated results.

Unaudited condensed combined pro forma balance sheets as of October 28, 2017 and February 3, 2018 and an unaudited pro forma condensed combined statement of income for the three months ended February 3, 2018 have not been included, as the Transactions have been fully reflected in the periods ended and as of October 28, 2017 and February 3, 2018.

The unaudited pro forma condensed combined financial information presented is based on the assumptions and adjustments described in the accompanying notes, which should be read together with the unaudited pro forma condensed combined statement of income.

The Merger was accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"), with Analog Devices representing the accounting acquirer. The following unaudited pro forma condensed combined financial information primarily gives effect to:

- Application of the acquisition method of accounting in connection with the Merger;
- Adjustments to reflect the Financing Arrangements;
- Transaction costs incurred in connection with the Merger; and
- Adjustments to reflect the December Bond Offering.

The unaudited pro forma condensed combined statement of income includes certain acquisition accounting and related financing adjustments, including items expected to have a continuing impact on the results of the combined company, such as increased amortization expense on acquired intangible assets. The unaudited pro forma condensed combined statement of income does not include the impact of any revenue, cost or other operating synergies that may result from the Merger or other adjustments that are not expected to have a continuing impact on the combined company.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not purport to be indicative of the results or financial position that actually would have occurred or that may occur in the future had the Transactions been completed on the dates indicated, nor does it purport to be indicative of the future operating results or financial position of Analog Devices after the Transactions. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors" of Analog Devices' Annual Report on Form 10-K, filed with the SEC on November 22, 2017.

The unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies of Analog Devices.

**ANALOG DEVICES, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED OCTOBER 28, 2017**  
(In thousands, except per share amounts)

	Historical		Pro Forma Adjustments for the Merger	(Note)	Pro Forma Adjustments for the Financing Arrangements	(Note)	Pro Forma Adjustments for the December Bond Offering	(Note)	Pro Forma Condensed Combined
	Analog Devices Twelve Months Ended October 28, 2017	Linear Technology November 1, 2016 - March 10, 2017							
Revenue	\$ 5,107,503	\$ 543,563	\$ -		\$ -		\$ -		\$ 5,651,066
Cost of sales	2,045,907	134,805	(303,993)	4(a)(b)(c)(d)(e)	-		-		1,876,719
Gross Margin	3,061,596	408,758	303,993		-		-		3,774,347
Operating expenses:									
Research and development	968,602	114,909	(446)	4(b)(c)	-		-		1,083,065
Selling, marketing, general and administrative	631,046	163,810	(88,786)	4(b)(c)	-		-		766,070
Amortization of intangibles	297,351	-	129,421	4(d)	-		-		426,772
Special charges	49,463	-	-		-		-		49,463
	2,006,462	278,719	40,189		-		-		2,325,370
Operating income	1,055,134	130,039	263,804		-		-		1,448,977
Nonoperating (income) expenses:									
Interest expense	250,840	-	-		(12,586)	4(h)	7,691	4(i)	245,945
Interest income and other income	(30,333)	(2,846)	-		-		-		(33,179)
Other, net	6,142	-	-		-		-		6,142
	226,649	(2,846)	-		(12,586)		7,691		218,908
Income before income taxes	828,485	132,885	263,804		12,586		(7,691)		1,230,069
Provision for income taxes	101,226	119,440	59,209	4(f)	4,782	4(f)	(2,922)	4(f)	281,735
Net income (loss)	\$ 727,259	\$ 13,445	\$ 204,595		\$ 7,804		\$ (4,769)		\$ 948,334
Shares used to compute earnings per share - Basic	346,371		21,679	4(g)					368,050
Shares used to compute earnings per share - Diluted	350,484		24,421	4(g)					374,905
Basic earnings per share	\$ 2.09								\$ 2.58
Diluted earnings per share	\$ 2.07								\$ 2.53

See the accompanying notes to Unaudited Pro Forma Condensed Combined Financial Information.

## Note 1 – Description of the Merger

On July 26, 2016, Linear, Analog Devices and Tahoe Acquisition Corp. (“Merger Sub”) entered into the merger agreement. The transaction closed on March 10, 2017, whereby Merger Sub merged with and into Linear, with Linear surviving the merger as a wholly owned subsidiary of Analog Devices.

Under the terms of the merger agreement, at the effective time (as defined therein), each outstanding share of common stock of Linear, including each restricted stock award and restricted stock unit award that became vested at the effective time, was automatically converted into the right to receive the following consideration: (b) \$46.00 in cash, and (ii) 0.2321 shares of common stock of Analog Devices.

Each outstanding Linear restricted stock award and restricted stock unit award that was outstanding immediately prior to the effective time, and that did not become vested at the effective time, was converted into the right to receive the following:

- For awards granted on or prior to July 22, 2016: Two adjusted awards with the same terms and conditions (including vesting) as were applicable to the corresponding Linear award immediately prior to the effective time as follows: (i) the right to receive an amount in cash equal to the product of (a) the number of shares of Linear common stock subject to such Linear restricted stock or restricted stock unit award immediately prior the effective time and (b) \$46.00, and (ii) an Analog Devices restricted stock award or restricted stock unit award, as applicable, relating to the number of shares of Analog Devices common stock equal to the product (rounded to the nearest whole number of shares) of (a) the number of shares of Linear common stock subject to the Linear restricted stock award or restricted stock unit award immediately prior to the effective time and (b) the exchange ratio of 0.2321.
- For awards granted after July 22, 2016: An adjusted Analog Devices restricted stock award or restricted stock unit award, as applicable, relating to the number of shares of Analog Devices common stock equal to the product (rounded to the nearest whole number of shares) of (i) the number of shares of Linear common stock subject to such Linear restricted stock award or restricted stock unit award immediately prior to the effective time and (ii) 0.9947.

Analog Devices funded the cash portion of the Merger with a combination of short and long-term debt and cash on hand. In connection with the financing of the Merger, Analog Devices entered into the following financing transactions:

### *The Financing Arrangements*

- On March 10, 2017, in connection with the Merger, Analog Devices entered into a 90-day bridge facility (the “Bridge Credit Agreement”) in the amount of \$4.1 billion. This Bridge Credit Agreement replaced Analog Devices’ previous debt commitment letters, which included a 364-day bridge facility and a 90-day bridge facility. The 364-day bridge commitment was not drawn down and expired upon execution of the Bridge Credit Agreement. Within 90 days of closing, in the third quarter of fiscal 2017, all of the \$4.1 billion of outstanding loans under the Bridge Credit Agreement were repaid using cash on hand; and
- On September 23, 2016, Analog Devices entered into a term loan agreement, which consisted of a 3-Year Term Loan Facility in the principal amount of \$2.5 billion and a 5-Year Term Loan Facility in the principal amount of \$2.5 billion, which were drawn down upon the closing of the Merger; and

### *The December Bond Offering*

- On December 5, 2016, Analog Devices issued \$400 million aggregate principal amount of 2.500% senior unsecured notes due December 5, 2021 (the “2021 Notes”), \$550 million aggregate principal amount of 3.125% senior unsecured notes due December 5, 2023 (the “2023 Notes”), \$900 million aggregate principal amount of 3.500% senior unsecured notes due December 5, 2026 (the “2026 Notes”) and \$250 million

aggregate principal amount of 4.500% senior unsecured notes due December 5, 2036 (the “2036 Notes” and together with the 2021 Notes, the 2023 Notes, and the 2026 Notes, the “Notes”) in a public offering.

## Note 2 — Basis of Pro Forma Presentation

The accompanying unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X. The unaudited pro forma condensed combined statement of income was prepared using the historical audited consolidated statement of income of Analog Devices for the year ended October 28, 2017 and the historical unaudited consolidated income statement data of Linear for the period from October 30, 2016 through March 10, 2017.

Both Analog Devices’ historical audited financial statements and Linear’s historical unaudited financial data were prepared in accordance with U.S. GAAP and are presented in thousands of U.S. dollars. Linear’s historical unaudited financial data included within the unaudited pro forma condensed combined statement of income includes certain reclassifications that were made to conform Linear’s financial statement presentation to that of Analog Devices.

The acquisition of Linear by Analog Devices was accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805, with Analog Devices representing the accounting acquirer. The pro forma adjustments are based upon available information and certain assumptions, which management believes are reasonable under the circumstances and are described in the accompanying notes herein. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined statement of income and related footnotes herein. Under ASC 805, generally all assets acquired and liabilities assumed are recorded at their acquisition date fair value. The excess of merger consideration over the fair value of identified tangible and intangible assets acquired and liabilities assumed was recognized as goodwill.

The unaudited pro forma condensed combined statement of income includes certain acquisition accounting adjustments, including items expected to have a continuing impact on the results of the combined company, such as increased amortization expense on acquired intangible assets and compensation expense for ongoing share-based compensation arrangements replaced as a requirement of the Merger. The unaudited pro forma condensed combined statement of income does not include the impacts of any revenue, cost, or other operating synergies that may result from the Merger or any related restructuring costs that may be contemplated.

## Note 3 –Merger Consideration

The merger consideration was approximately \$15.8 billion based on the closing share price of Analog Devices’ common stock of \$82.20 on March 10, 2017.

The following table summarizes the components of the merger consideration (in thousands of dollars):

Cash consideration*	\$	11,092,047
Equity portion of purchase price**		4,593,655
Fair value of partially vested restricted stock and restricted stock units assumed***		70,954
Total purchase consideration	\$	<u>15,756,656</u>

\* The cash consideration was funded utilizing cash on hand, the net proceeds from the Financing Arrangements, and the December Bond Offering. This reflects the cash portion of the purchase price paid to Linear stockholders of approximately \$11.1 billion, as well as \$16.3 million for the cash-settled portion of consideration paid to holders of restricted stock and restricted stock awards which automatically vested at the effective time of the Merger pursuant to pre-existing change-of-control agreements.

\*\* The fair value is based on the issuance of approximately 55.9 million shares of Analog Devices' common stock with a per-share value of \$82.20 (the closing share price of Analog Devices' common stock on The Nasdaq Global Select Market on March 10, 2017).

\*\*\* In connection with the Merger, Analog Devices issued equity and cash awards to certain Linear employees in replacement of Linear equity awards that were canceled at closing. The amount represents the portion of the fair value of the replacement equity and cash awards associated with services rendered through March 10, 2017 and have been included as a component of the total estimated purchase consideration.

#### Note 4 – Unaudited Pro Forma Condensed Combined Statement of Income Adjustments

The pro forma adjustments in the unaudited pro forma condensed combined statement of income are as follows:

##### Adjustments for the Merger:

- (a) Reflects additional depreciation expense for the estimated fair value adjustment of acquired property, plant and equipment on a straight-line basis as follows (in thousands), which will be depreciated over a weighted average useful life of approximately 9.6 years.

	<b>Year Ended October 28, 2017</b>
Cost of sales	\$ 10,752
Pro forma adjustment	<u>\$ 10,752</u>

- (b) Reflects an adjustment of \$82.0 million for the year ended October 28, 2017, representing the elimination of the compensation, advisory, legal and accounting expenses incurred by both Analog Devices and Linear in connection with the Merger, which are not expected to have a continuing impact on results of operations (in thousands):

	<b>Year Ended October 28, 2017</b>
Cost of sales	\$ 2,200
Research and development	5,500
Selling, marketing, general and administrative	74,261
Pro forma adjustment	<u>\$ 81,961</u>

- (c) Reflects an adjustment to stock-based compensation expense of \$8.9 million for the year ended October 28, 2017, representing the estimated difference between historical amounts recorded in the financial statements of both Analog Devices and Linear and the estimated fair value related to the unvested portion of the Linear equity awards converted into Analog Devices equity awards in connection with the Merger as follows (in thousands):



	<b>Year Ended October 28, 2017</b>
Cost of sales	\$ 567
Research and development	5,054
Selling, marketing, general and administrative	(14,525)
Pro forma adjustment	<u>\$ (8,904)</u>

Included in the pro forma adjustment is the elimination of the one-time impact of accelerated vesting of certain Linear awards, which vested immediately prior to the Transactions and were recorded in Linear's historical results. The replacement share-based awards vest over their respective service periods, which occur during the first five years in the post-combination period.

- (d) Reflects additional amortization expense for the estimated fair value adjustment of acquired intangible assets, recognized on a straight-line basis, of \$176.5 million for the year ended October 28, 2017, as follows (in thousands):

	<b>Year Ended October 28, 2017</b>
Cost of sales	\$ 47,087
Amortization of intangibles	129,421
Pro forma adjustment	<u>\$ 176,508</u>

Amortization expense was calculated using the fair value of acquired intangibles and their estimated useful lives as follows (in thousands):

Description	Weighted Average Useful Lives (in Years)	Estimated Fair Value
Customer relationship	12	\$ 4,034,300
Technology-based	8	1,046,100
Trade name	7	72,200
Total amortizable intangible assets		<u>\$ 5,152,600</u>

- (e) Reflects an adjustment of \$360.2 million to eliminate the one-time impact to cost of goods sold resulting from the fair value step-up of inventory reflected in the purchase price allocation at the date of the Merger, which was sold during the year ended October 28, 2017. The impact of the fair value adjustment to inventory sold in the post-acquisition period has been eliminated from the unaudited pro forma condensed combined statement of income as it not expected to have a continuing impact on results of operations.
- (f) Reflects tax effects of the pro forma adjustments based on the estimated blended statutory tax rates in effect.
- (g) Reflects the weighted average shares outstanding used to compute basic and diluted net income per share for the year ended October 28, 2017, which has been adjusted to give effect to the shares of Analog Device's common stock issued upon closing of the Merger as if such issuances had occurred on October 30, 2016. Diluted net income per share also gives effect to the impact of potentially dilutive securities of

Analog Devices that were issued to replace certain restricted stock awards and restricted stock unit awards of Linear at the close of the Merger.

*Adjustments for the Financing Arrangements:*

- (h) Reflects the following financing adjustments to interest expense resulting from the term loan facilities as if they had been issued on October 30, 2016:
  - (i) increase of \$9.9 million to reflect the estimated interest expense associated with the term loan facilities as if they had been outstanding for the entire fiscal year ended October 28, 2017, net of historic interest expense previously recorded. Borrowings bear interest at a variable rate based on the one-month LIBOR plus an estimated margin of 1.125% per annum for the 3-Year Term Loan Facility, while the 5-Year Term Loan Facility bears interest at a variable rate based on the one-month LIBOR plus an estimated margin of 1.25% per annum; and
  - (ii) net decrease of \$22.5 million to reflect the elimination of one-time costs incurred to establish the Financing Arrangements, partially offset by an increase in interest expense to reflect the amortization of debt issuance costs for the entire fiscal year ended October 28, 2017, net of historic amortization of debt issuance costs previously recorded.

The financing adjustment to interest expense described in (i) and (ii) above includes a decrease to interest expense of \$40.3 million to eliminate the non-recurring impact of interest expense and bridge fees related to the Bridge Credit Facility, which were incurred in the first three months of the year ended October 28, 2017. The Bridge Credit Facility was repaid within 90 days of the closing date and therefore will not have a continuing impact on the combined entity's consolidated results. The permanent financing, as noted above, has been reflected in the unaudited pro forma condensed combined statement of income for the entire fiscal year ended October 28, 2017.

If LIBOR were to increase by 0.125%, interest expense on the term loan facilities would increase by \$5.6 million for the year ended October 28, 2017.

*Adjustments for the December Bond Offering:*

- (i) Represents an adjustment to reflect the incremental interest expense for the December Bond Offering, as if it had occurred on October 30, 2016:
  - (i) increase of \$7.3 million to reflect interest expense as if the December Bond Offering had been outstanding for the entire fiscal year ended October 28, 2017, net of historic interest expense previously recorded; and
  - (ii) increase of \$0.4 million to reflect the amortization of estimated debt issuance costs associated with the December Bond Offering for the entire fiscal year ended October 28, 2017, net of historic amortization of debt issuance costs previously recorded.