

2015 Key Compensation Decisions

The following table highlights the key decisions made in fiscal 2015 with respect to our executive compensation program:

Compensation Component	Summary
Base Salaries	The Compensation Committee made no changes to the base salaries of our Named Executive Officers in fiscal 2015, excluding Mr. Anderson, who began employment in May 2015.
2015 EIP	<p>For fiscal 2015, the Compensation Committee adopted an annual performance period and selected adjusted non-GAAP net income (weighted 50%), revenue (weighted 25%), and adjusted non-GAAP free cash flow (weighted 25%) as the EIP performance measures and weightings to more closely align the bonus opportunity under the EIP to our annual operating plan and our multi-year strategy to reshape the Company.</p> <p>No cash performance bonuses were earned or paid to our Named Executive Officers under our EIP for fiscal 2015 due to our underperformance relative to our adjusted non-GAAP net income, revenue, and adjusted non-GAAP free cash flow performance goals.</p>
2015 PRSUs	<p>With respect to the PRSUs awarded in fiscal 2015:</p> <ul style="list-style-type: none"> Based on feedback from our stockholders, the Compensation Committee implemented a three-year performance period (August 15, 2015 to August 15, 2018), as compared to the two-year performance period of the 2014 PRSUs; and The Compensation Committee approved the implementation of a single performance measure based on the compound annual growth rate (“CAGR”) of the Company’s closing stock price during the three-year performance period. <p>The Compensation Committee believes that the CAGR of our common stock price is the appropriate performance measure for the 2015 PRSUs because potential payouts under these awards are directly and transparently linked to increases in our common stock price.</p> <p>The Compensation Committee established a three-year performance period for these awards, with an additional provision that the PRSUs do not vest before the first anniversary of the grant date, to promote the execution of our multi-year strategy to reshape the Company and to support our retention objectives.</p>
Special Retention Awards	In January 2015, the Compensation Committee granted Messrs. Kumar and Papermaster special retention awards consisting of, respectively, 384,467 and 576,701 time-based RSUs. These RSU awards vest 33% on January 15, 2017, and 67% on January 15, 2018, subject to their continuous employment through each applicable vesting date. Further discussion is provided below under “Fiscal 2015 Compensation Elements-Special Retention Awards.”
Mr. Anderson’s Compensation Arrangements	In June 2015, the Compensation Committee approved Mr. Anderson’s compensation in connection with his appointment as our Senior Vice President and General Manager, Computing and Graphics Business Group. Further discussion is provided below under “Fiscal 2015 Compensation Elements-Mr. Anderson’s New Hire Compensation Package.”
Mr. Norrod’s Sign-On PRSU Award	In November 2014, the Compensation Committee approved a sign-on PRSU award to Mr. Norrod covering a target number of 365,981 shares; in February 2015, the Compensation Committee determined the performance conditions associated with the vesting of this award. The award was granted pursuant to the terms of Mr. Norrod’s October 2014 offer letter, which we entered into in connection with his appointment as our Senior Vice President and General Manager, Enterprise, Embedded and Semi-Custom Business Group (“EESC”). Further discussion is provided below under “Fiscal 2015 Compensation Elements-Mr. Norrod’s Sign-On PRSU Award.”