

**CRAY INC.
CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

CHARTER

I. PURPOSE

The Corporate Governance Committee shall develop and recommend to the Board a set of corporate governance principles (the “Corporate Governance Guidelines”), recommend qualified individuals to the Board for nomination as directors, lead the Board in its annual review of the Board’s performance, and recommend directors to the Board for appointment to Board committees.

II. COMPOSITION

The Committee shall consist of at least three directors, each of whom shall be an independent director under applicable laws, rules and regulations, including the listing standards of the Nasdaq National Market System.

The members of the Committee shall be appointed by the Board at the annual meeting of the Board. Unless a Chair is designated by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. Members may be removed by the Board at any time.

III. RESPONSIBILITIES

1. The Committee shall develop and recommend to the Board a set of Corporate Governance Guidelines. The Committee annually will review the Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

2. The Committee will identify individuals qualified to become directors, including existing directors eligible for re-election to the Board and nominees of shareholders, in accordance with the criteria regarding director qualifications set forth in the Corporate Governance Guidelines, and recommend to the Board the director nominees for the next annual meeting of shareholders or the nominees to fill any interim vacancies on the Board.

3. The Committee will review the compensation of members of the Board and its committees and recommend to the full Board such changes to such compensation as appropriate to attract and retain qualified directors.

4. In recommending committee appointments, the Committee will review the qualifications of the eligible directors and determine which directors are qualified to become members of the committees, in accordance with the criteria regarding committee member qualifications set forth in the Corporate Governance Guidelines.

5. The Committee will review any potential or actual conflicts of interest of Board members, and recommend to the Board any action it believes appropriate and in the best interest of the Company.

6. The Committee will review corporate governance matters required by applicable law, rule or regulation to be included in the Company's annual proxy statement.

7. The Committee will review and make recommendations with respect to shareholder proposals related to corporate governance matters.

8. The Committee periodically will solicit and consider comments from the Board with respect to the performance of the Board, including the Corporate Governance Guidelines and compliance with such Guidelines. The Committee will assist the Board with an annual assessment of the performance of the Board and of the committees of the Board.

9. The Committee annually shall review its own performance and this Charter and recommend to the Board any proposed changes to this Charter or to the Committee.

10. The Committee is authorized to form and delegate authority to subcommittees as appropriate. The Committee may delegate such authority to one or more of its members as it deems appropriate.

11. The Committee shall perform such other functions and activities as required by law or the Company's bylaws or as assigned to it by the Board of Directors.

IV. RESOURCES AND AUTHORITY

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to obtain advice and assistance from internal or outside legal, accounting or other advisors. The Committee shall have the sole authority to engage any search firm to identify director candidates and shall have sole authority to approve the search firm's fees and terms of engagement.

V. MEETINGS AND MINUTES

The Committee shall meet at least twice each year and more often as necessary to enable it to fulfill its responsibilities and duties. The Committee Chair (or his or her designee) shall prepare and/or approve an agenda in advance of each meeting. The Committee shall meet privately in executive session as it deems appropriate. The Committee shall report its actions to

the Board and keep written minutes of its meetings which shall be maintained with the books and records of the Company.

V1. MANAGEMENT'S RESPONSIBILITIES

The management of the Company shall provide the Committee with the necessary resources to enable it to discharge the Committee's duties and responsibilities, as reflected in this Charter and as the Board of Directors assigns to the Committee.