

**LATTICE SEMICONDUCTOR CORPORATION**  
**CORPORATE GOVERNANCE POLICIES**

The following Corporate Governance Policies (the “Policies”) have been adopted by the Board of Directors (the “Board”) of Lattice Semiconductor Corporation (“Lattice”). The Policies, in conjunction with Lattice’s Certificate of Incorporation, Bylaws and Board Committee charters, form the framework for the governance of Lattice. The Policies will remain in effect indefinitely unless or until the Board, acting through a majority of its non-management directors, determines in the good faith exercise of business judgment that these measures are no longer necessary or appropriate or should be modified to address the circumstances then confronting the Board.

1. **Director Independence.** The Board shall consist of a majority of Independent directors. In addition to satisfying the requirements of applicable law and NASD rules, to be deemed Independent a director of Lattice must:
  - a. Not have been employed by Lattice or its subsidiaries or affiliates in an executive capacity within the last five calendar years;
  - b. Not have received, during the current calendar year or in any of the three immediately preceding calendar years, more than \$100,000 (other than for Board services) as a result of service with, or being affiliated with, an entity that serves as (1) an advisor, consultant or legal counsel to Lattice or to a member of Lattice’s executive management; or (2) a customer or supplier of Lattice that accounted for more than five percent of Lattice’s revenues or expenses;
  - c. Not have personally provided services or have a contract to provide services to Lattice (other than Board services) or a Lattice executive officer having a value in excess of \$60,000 annually;
  - d. Not be affiliated with a not-for-profit entity that receives contributions from Lattice in excess of \$20,000 annually;
  - e. During the current calendar year or any of the three immediately preceding calendar years, not have had any business relationship with Lattice for which Lattice has been required to make disclosure under Item 404 of Regulation S-K of the SEC, other than for service as a director or for a relationship where no more than *de minimis* remuneration was received in any one such year;
  - f. Not be employed by a public company at which an executive officer of Lattice serves as a director;



corporate governance issues that may, from time to time, merit consideration by the entire Board;

- b. The Nominating and Governance Committee, in consultation with the Chairman, the CEO and the Lead Independent Director, if the Chairman is non-Independent, shall consider and make recommendations to the Board concerning the appropriate size and needs of the Board with respect to the number and qualifications of directors;
  - c. The Nominating and Governance Committee, in consultation with the Chairman, the CEO and the Lead Independent Director, if the Chairman is non-Independent, shall consider and recommend to the full Board candidates to fill vacant Board positions. Candidates shall be selected for their character, judgment, relevant business experiences, time commitment, and acumen. Final approval of candidates shall be determined by the full Board; and
  - d. In conjunction with its consideration of candidates to fill vacant Board positions, the Nominating and Governance Committee shall consider in good faith any candidate recommended by one or more of the Company's ten largest unaffiliated shareholders of record provided such proposed candidate satisfies the criteria established by the Nominating and Governance Committee for prospective directors as set forth in subsection 5.c. above. The Nominating and Governance Committee shall have no obligation to recommend any such shareholder-proposed candidate for nomination by the Board.
6. **Independent Advisors.** The Board, each of its committees and the Independent directors shall have standing authorization to retain, at Lattice's cost, legal or other advisors of their choice, who shall report directly to the Board, committee or Independent directors who retained them.
7. **Director Education.** Each director is required to attend at least one outside director education course every two years (paid for by Lattice). Each director is also required to attend, for no less than two hours, an annual corporate governance course to be held at one regular Board meeting and taught by an outside expert.
8. **Board Self-Evaluation.** The Board shall implement an evaluation program pursuant to which it shall annually review the performance of the Board based on criteria recommended by the Nominating and Governance Committee and developed in consultation with an outside expert. In connection with the evaluation program, each director shall annually complete and submit to the Chairman, or the Lead Independent Director if the Chairman is non-Independent, a written evaluation using a form to be approved by the Nominating and Governance Committee. The Nominating and Governance Committee will

consider the evaluation program and completed self-evaluations as a factor in determining whether to re-nominate directors.

9. **Annual CEO Evaluation.** The Board shall implement an annual CEO evaluation for the purpose of determining the CEO's annual compensation. The evaluation shall be conducted first by the Compensation Committee and subsequently agreed to by all Independent directors.
10. **Change in Director Employment Status.** Regardless of circumstances, should the employment status of a sitting director change, that director shall be deemed to have submitted his or her resignation to the full Board, but the Board is not required to accept such resignation.
11. **Commitment to Lattice Business.** Each director shall commit to spend at least 200 hours annually on Lattice-related business.
12. **Director Tenure.** All members of the Board shall serve for no more than ten years unless the Board determines in exercising its good faith business judgment that an exception to the guideline is appropriate. For all sitting directors, such ten-year period will begin to run as of the 2005 annual meeting.
13. **Director Stock Ownership.**
  - a. Non-employee directors must retain and not sell during their tenure on the Board at least fifty percent of the shares of Lattice stock acquired while serving as a director through the exercise of vested stock options or restricted stock or other equity grants.
  - b. Each non-employee director shall purchase, and retain, a minimum of \$10,000 of Lattice's common stock within twelve months of his or her initial election to the Board. The foregoing dollar amounts shall be determined at the time of purchase. Each non-employee director shall retain the minimum share amounts purchased pursuant to the preceding two sentences during his or her tenure on the Board. The Board will evaluate whether exceptions should be made for any director on whom this requirement would impose a financial hardship.
14. **Election of Directors.**
  - a. At any shareholder meeting at which directors are subject to an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall submit to the Board a letter of resignation for consideration by the Nominating and Governance Committee. The Nominating and Governance Committee shall recommend to the Board the action to be taken with respect to such offer of resignation. Within 120 days of the shareholder meeting, the Board shall act with respect to each such letter of

resignation and shall promptly notify the director concerned of its decision.

- b. Any director added by the Board to fill a vacancy must stand for election at the next annual meeting of shareholders.
- 15. **Former CEOs Ineligible to Serve on the Board.** No former CEO of the Company shall serve on the Board.
- 16. **Retirement Policy.** It is the general policy that non-employee directors will not be nominated for re-election at any annual shareholder meeting following their 75<sup>th</sup> birthday; provided that in extraordinary circumstances the Board may make exceptions to this policy.
- 17. **Other Boards and Committees.** No director may serve on more than four public company boards (including Lattice's Board) and no member of the Audit Committee may serve on more than three public company audit committees (including Lattice's Audit Committee) unless, in each case, the Board determines that such simultaneous service would not impair the ability of such member to serve on Lattice's Board or Audit Committee. In addition, directors who also serve as chief executive officers or in equivalent positions generally should not serve on more than three public company boards (including Lattice's Board).
- 18. **CEO Succession.** The Board will periodically review succession planning for the CEO position to prepare for a possible emergency involving, or the departure or retirement of, the CEO.