

**CHARTER OF THE
AUDIT COMMITTEE OF
SPANSION INC.**

This Audit Committee Charter was adopted by the Board of Directors of Spansion Inc. (the "Company") effective December 15, 2005.

I. PURPOSE

The purpose of the Audit Committee (the "Committee") is to oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company. In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

In addition to the powers and responsibilities expressly delegated by the Board of Directors to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Notwithstanding the foregoing, the Committee's responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements as well as the Company's financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the Company's annual financial statements, expressing an opinion as to the conformity of such annual financial statements with accounting principles generally accepted in the United States ("GAAP") and reviewing the Company's quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosure are complete and accurate and in accordance with GAAP and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including the Company's internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) and the Company's independent auditor) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Further, auditing literature, particularly Statement of Accounting Standards No. 71, defines the term "review" to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term

“review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

II. MEMBERSHIP

The Committee shall consist of no fewer than three members of the Board; provided, that at any time there is a vacancy on the Committee and the remaining members meet all membership requirements, then the Committee may consist of two members until the earlier of the Company’s next annual stockholders meeting or one year from the occurrence of the vacancy. Each Committee member shall be able to read and understand fundamental financial statement, including a company’s balance sheet, income statement and cash flow statement (and therefore meet the knowledge requirements of applicable law and the rules of the Securities and Exchange Commission (the “SEC”) and the NASDAQ National Market in effect from time to time, subject to any exceptions allowed by such rules and any waivers granted by such authorities) as determined by the Board in its business judgment. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving auditing or accounting. However, at least one member of the Committee shall be an “audit committee financial expert” within the definition adopted by the SEC, meaning that such member shall have past employment experience in accounting or related financial management, requisite professional certification in accounting or other comparable experience or background that results in the individual’s financial sophistication (such as being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities), as determined by the Board in its business judgment. The Company shall disclose in its periodic reports required pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), if it does not have at least one member of the Committee who is an “audit committee financial expert” and, if so, the reasons as to why no such member meets such criteria.

Each Committee member shall satisfy the independence requirements of the Nasdaq National Market and Rule 10A-3 under the Exchange Act; provided, that if a member of the Committee ceases to be independent for reasons outside the member’s reasonable control, then the member may remain on the Committee until the earlier of the Company’s next annual stockholders meeting or one year from the occurrence of the event that caused the member to cease to be independent. No Committee member may simultaneously serve on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and such determination is disclosed in the Company’s annual proxy statement.

The members of the Committee and its Chair shall be appointed by and serve at the discretion of the Board and may be removed from the Committee, with or without cause, by the Board, following the recommendations of the Company’s Nominating and Corporate Governance Committee.

III. MEETINGS AND PROCEDURES

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee

shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee, applicable law or the rules of the NASDAQ National Market.

The Committee shall meet at least once during each fiscal quarter and more frequently as the Committee deems desirable. Special meetings of the Committee may be called by the Chair and shall be called promptly upon the request of any two Committee members. The Committee shall meet separately with management, with the internal auditor and with the independent auditor. The Compensation Committee shall maintain written minutes of its meetings, and the Secretary shall file such minutes with the minutes of the meetings of the Board.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. At its discretion, the Committee may, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management director that is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall have unrestricted independent access to the Company's independent auditors, internal auditors, employees and outside counsel, and may require any employee of the Company or representative of the Company's outside counsel or independent auditors to attend meetings of the Committee or meet with any members of the Committee or representative of the Committee's counsel, advisors or experts.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

The Committee has the power to appoint and delegate matters to subcommittees, but no subcommittee will have any final decision-making authority on behalf of the Board or the Committee, except as provided in Section 2 of Article IV below.

IV. DUTIES AND RESPONSIBILITIES

Interaction with the Independent Auditor

1. Appointment and Oversight. The Committee shall be directly responsible for the appointment, compensation, retention, evaluation and oversight of the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor shall report directly to, and be ultimately accountable to, the Committee.

2. Pre-Approval of Services. Before the independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement and the fees and terms thereof, in either case on an engagement-by-engagement basis. Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered pursuant to the pre-approval policies and procedures established by the Committee regarding the Company's engagement of the independent auditor, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting of the Committee. If the Committee elects to establish pre-approval policies and procedures regarding non-audit services, the Committee must be informed of each non-audit service provided by the independent auditor. Committee pre-approval of non-audit services (other than review and attest services) also will not be required if such services fall within available exceptions established by the SEC. The Company shall disclose in its annual and quarterly reports filed under the Exchange Act any approval of non-audit services during the period covered by the applicable report.

3. Independence of Independent Auditor. At least annually, the Committee shall review the independence and quality control procedures of the independent auditor and the experience and qualifications of the independent auditor's senior personnel that are providing audit services to the Company. In conducting its review:

(i) The Committee shall obtain and review a report prepared by the independent auditor describing (a) the auditing firm's internal quality-control procedures and (b) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.

(ii) The Committee shall discuss with the independent auditor its independence from the Company, and obtain and review a written statement prepared by the independent auditor describing all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard 1, and consider the impact that any relationships or services may have on the objectivity and independence of the independent auditor. The Committee shall actively engage in a dialogue with the independent auditor with respect to any

disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.

(iii) The Committee shall review and evaluate the lead partner of the independent auditor, and shall confirm with the independent auditor that the independent auditor is in compliance with the partner rotation requirements established by the SEC.

(iv) The Committee shall consider whether the Company should adopt a rotation of the annual audit among independent auditing firms.

(v) If applicable, the Committee shall consider whether the independent auditor's provision of any permitted information technology services or other non-audit services to the Company is compatible with maintaining the independence of the independent auditor.

Annual Financial Statements and Annual Audit

4. Meetings with Management, the Independent Auditor and the Internal Auditor.

(i) The Committee shall meet with management, the independent auditor and the internal auditor in connection with the planning of each annual audit to discuss the review of internal controls, the scope of the audit, the procedures to be followed and the staffing of the audit.

(ii) The Committee shall review and discuss with management and the independent auditor: (A) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; (B) major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (C) any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative methods of applying GAAP on the Company's financial statements; (D) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; (E) any unusual or non-recurring items; and (F) the nature and substance of significant reserves.

(iii) The Committee shall review and discuss the annual audited financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management, the internal auditor and the independent auditor.

5. Separate Meetings with the Independent Auditor.

(i) The Committee shall review with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee should consider reviewing with the independent auditor are: (i) any

accounting adjustments that were noted or proposed by the auditor but were “not recorded” (as immaterial or otherwise); (ii) any communications between the audit team and the independent auditor’s national office respecting auditing or accounting issues presented by the engagement; (iii) any “management” or “internal control” letter issued, or proposed to be issued, by the independent auditor to the Company; and (iv) the responsibilities, budget and staffing of the Company’s internal audit function. The Committee shall obtain from the independent auditor assurances that the audit was conducted in a manner consistent with Section 10A(b) of the Exchange Act.

(ii) The Committee shall discuss with the independent auditor the report that such auditor is required to make to the Committee regarding: (i) all accounting policies and practices to be used that the independent auditor identifies as critical; (ii) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) all other material written communications between the independent auditor and management of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor’s engagement letter, independent auditor’s independence letter, schedule of unadjusted audit differences and a listing of adjustments and reclassifications not recorded, if any. Such reports must be provided to the Committee before any auditor’s report is filed with the SEC.

(iii) The Committee shall discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, “Communication with Audit Committees,” as then in effect, or any successor guideline.

6. Recommendation to Include Financial Statements in Annual Report. Based on the review and discussions in paragraphs 4(iii) and 5(iii) above, the disclosures received from the independent auditor regarding its independence and discussions with the auditor regarding such independence pursuant to subparagraph 3(ii) above, the Committee shall determine whether to recommend to the Board that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year subject to the audit.

Quarterly Financial Statements

7. Meetings with Management, the Independent Auditor and the Internal Auditor. The Committee shall review and discuss the quarterly financial statements to be included in the Company’s Quarterly Report on Form 10-Q, including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” with management, the internal auditor and the independent auditor.

Internal Audit

8. Appointment. The Committee shall review and approve the appointment and replacement of the internal auditor.

9. Separate Meetings with the Internal Auditor. The Committee shall meet at least annually with the Company’s internal auditor to discuss the responsibilities, budget, qualifications,

activities, effectiveness and staffing of the Company's internal audit function and the performance, appointment and replacement of the lead internal auditor. The Committee shall meet at least quarterly with the internal auditor to discuss any issues that the internal auditor believes warrant audit committee attention and shall review summaries of material internal audit reports and management's responses.

Other Duties and Responsibilities

10. The Committee shall discuss with management and the independent auditor the Company's earnings press releases (with particular focus on any "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard will be general in nature (*i.e.*, discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.

11. The Committee shall discuss with management and the independent auditor all related-party transactions brought to the Committee's attention (which term refers to transactions that would be required to be disclosed pursuant to SEC Regulation S-K, Item 404). Management shall not cause the Company to enter into any new related party transaction unless the Committee approves such transaction.

12. The Committee shall discuss with management and the independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or internal audit function.

13. The Company's General Counsel or outside counsel shall bring to the Committee's attention any legal matter that could reasonably be expected to have a material impact on the Company's financial statements, and the Committee shall discuss those legal matters with the Company's General Counsel or outside counsel.

14. The Committee shall request assurances from management and the Company's internal auditors that the Company's foreign subsidiaries and foreign affiliated entities, if any, are in conformity with applicable legal requirements, including disclosure of affiliated party transactions and that they have not retained the independent auditor for non-audit services without the pre-approval of the Company's Vice President and Controller. The Committee shall request comments from the independent auditor on these issues.

15. The Committee shall discuss with management, the internal auditor and the independent auditor the Company's policies with respect to risk assessment and risk management. The Committee shall discuss with management, the internal auditor and the independent auditor the Company's significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures.

16. The Committee shall set clear hiring policies for employees or former employees of the Company's independent auditor.

17. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.

18. The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements required by Item 306 of Reg. S-K for inclusion in each of the Company's annual proxy statements.

19. Through its Chair, the Committee, shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

20. The Committee shall review human resources and succession planning for the accounting and finance groups within the Company.

21. The Committee shall perform an annual self-evaluation of the performance of the Committee, including a review of the Committee's compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

22. The Committee shall review and reassess this Charter annually and submit any recommended changes to the Board for its consideration, and publish this Charter and any amendments hereto as required by applicable law.

23. In consultation with the independent auditor and internal auditors, review the integrity, adequacy and effectiveness of the Company's accounting and financial controls, both internal and external, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

24. Establish regular and separate systems of reporting to the Committee by each of management, the independent auditor and the internal auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments.

25. Discuss with the chief executive officer and chief financial officer the processes involved in and any material required as a result of the Form 10-K and 10-Q certification process and any deficiencies in design or operation of internal controls or any fraud involving management or employees with a significant role in the Company's internal controls.

26. Obtain such reports from management, auditors, the general counsel, tax advisors or any regulatory agency as the Committee deems necessary regarding regulatory compliance, transactions with affiliates and other legal matters that may have a material effect on the Company's financial statements. Consider whether the reported matters were properly taken into consideration in the preparation of the financial statements.

27. Approve and monitor the Company's compliance with a code of conduct required by applicable law or NASDAQ listing standards and covering the conduct and ethical behavior of directors, officers and employees, and a code of ethics applicable to senior executives and financial officers; approve in advance any proposed amendments to the code of conduct or code of ethics; and recommend to the Board for approval any waivers of either of such codes for directors and executive officers.