

# **THE BOARD OF DIRECTORS OF ALTERA CORPORATION**

## **COMPENSATION COMMITTEE CHARTER**

### **AUTHORITY AND PURPOSE**

The Compensation Committee (the “Committee”) of Altera Corporation is appointed by Altera’s Board of Directors (the “Board”) (1) to evaluate and make recommendations to the Board regarding the compensation of the CEO, (2) to evaluate and establish the compensation of other executive officers, (3) to annually lead the Board in a discussion of the performance of the CEO, and (4) to evaluate and make recommendations to the Board regarding the compensation of directors. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Corporation’s Bylaws and by applicable law.

### **MEMBERSHIP**

The Committee members (the “Members”) shall be appointed by the Board and will serve at the discretion of the Board. The Committee will consist of at least two (2) members of the Board. Each Member must meet the independence requirements of The Nasdaq Stock Market and any other applicable law. Unless otherwise directed by the Board, each Member shall serve until such Member ceases to serve as a member of the Board, or until the Board has duly appointed his or her successor.

### **DUTIES AND RESPONSIBILITIES**

1. The Committee is responsible for evaluating and recommending to the full Board for its approval the compensation plan for the CEO. This includes salary, awards in cash, restricted stock, stock options, long term incentives plans and any other benefits or compensation. The Committee will also evaluate and approve, upon the recommendation of the CEO, the compensation of other executive officers, including salary, awards in cash, restricted stock, stock options, long term incentives plans, and any other benefits or compensation. In performing these responsibilities, the Committee considers data regarding peer companies and makes an objective and subjective evaluation of the performance of the CEO and other executive officers.
2. The Committee is responsible for preparing and approving the annual statement of compensation practices and policies that is required by the S.E.C. to appear in the annual Proxy Statement.
3. The Committee also reviews and makes recommendations to the full Board regarding the compensation of the members of the Board, taking into consideration data regarding peer companies.

4. In consultation with the CEO, the Committee may also review and establish general compensation policies and programs for employees other than the CEO and executive officers.
5. The Committee may form and delegate authority to subcommittees when appropriate.
6. The Committee shall have authority to obtain advice and assistance from internal or external legal, accounting, or other advisors regarding matters within the Committee's duties and responsibilities. The Committee shall advise management when any such advisor has been retained and inform management of the cost of any such services.

### **CONDUCT OF BUSINESS**

The Committee shall conduct its business in accordance with this Charter and any direction by the whole Board. The Committee shall report, at least annually, to the Board. The Committee shall annually review its own performance.

### **MEETINGS**

The Committee will meet at least annually.

### **MINUTES**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.