

## **LATTICE SEMICONDUCTOR CORPORATION**

### **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS (Revised January 31, 2006)**

#### **Purpose**

The purpose of the Compensation Committee of the Board of Directors (the “Board”) of Lattice Semiconductor Corporation (the “Company”) shall be to:

- oversee the Company’s compensation policies, plans and benefits programs;
- act for the Board of Directors to oversee (i) the compensation of the Company’s Chief Executive Officer (the “CEO”) and other executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934), and (ii) the executive officer compensation plans, policies and programs of the Company; and
- administer the Company’s equity compensation plans.

The compensation programs for the Company's executive officers shall be designed to attract, motivate and retain talented executives responsible for the success of the Company and shall be determined within a competitive framework and based on the achievement of the Company’s overall financial results and individual contributions. An important objective of the Committee shall be to align the financial interests of executive officers with those of the Company's stockholders by providing significant equity-based, long-term incentives.

In furtherance of these purposes, the Compensation Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

#### **Membership**

The Compensation Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Compensation Committee shall consist of no fewer than two members of the Board. The Board may designate one member of the Committee as its chair. Unless otherwise determined by the Board, members of the Compensation Committee must meet the following criteria:

- the independence requirements of The Nasdaq Stock Market, Inc.;
- the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and

- the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended.

## **Meetings**

The Compensation Committee will meet as often as may be deemed necessary or appropriate in its judgment to fulfill its responsibilities. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. Unless he or she is already a member of the Committee, the Chairman of the Board (if independent) or the Lead Independent Director (if the Chairman of the Board is not independent) may, at his or her option, attend all meetings of the Committee as a non-voting observer. The CEO may not be present at meetings during voting or deliberations regarding the compensation of the CEO.

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

## **Responsibilities and Duties**

1. The Compensation Committee shall annually evaluate and, subject to obtaining the agreement of all the independent directors, approve the CEO's compensation, including (a) the annual base salary, (b) the annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) any employment agreement, severance arrangement and change in control agreement/provision, (e) any signing bonus or payment of relocation costs, and (f) any other benefits, compensation or arrangements. The Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate his or her performance in light thereof, and consider other factors related to the performance of the Company, including accomplishment of the Company's long-term business and financial goals.
2. The Compensation Committee shall annually evaluate and approve for the other executive officers of the Company (a) the annual base salary, (b) the annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) any employment agreement, severance arrangement and change in control agreement/provision, (e) any signing bonus or payment of relocation costs, and (f) any other benefits, compensation or arrangements.
3. The Compensation Committee shall administer the Company's equity compensation plans.
4. The Compensation Committee shall review the Company's bonus plan objectives to ensure incentive payments reward the achievement of appropriate corporate and/or individual performance goals.
5. The Compensation Committee shall oversee the Company's overall compensation plans and benefits programs. The Compensation Committee shall also make recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate.

6. The Compensation Committee shall periodically evaluate the competitiveness of (i) the compensation of the CEO and the executive officers of the Company and (ii) the Company's overall compensation plans.
7. The Compensation Committee may form and delegate authority to subcommittees when appropriate.
8. The Compensation Committee shall make regular reports to the Board.
9. The Compensation Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
10. The Compensation Committee shall annually review its own performance.
11. The Compensation Committee shall produce a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the Securities and Exchange Commission and any other applicable rules and regulations.
12. The Compensation Committee shall perform such other duties consistent with its purpose as the Board may direct from time to time.

The Committee, in discharging its responsibilities hereunder, shall have the authority to retain its own compensation consultant and other outside legal, accounting or other advisors at the Company's expense. Any such consultant or advisors will report directly to the Committee, and the Committee shall have the authority to approve the fees payable to such advisors by the Company and any other terms of retention.