

**PIXELWORKS, INC.**  
**CHARTER OF THE CORPORATE GOVERNANCE AND**  
**NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS**

**I. COMMITTEE PURPOSE**

The Corporate Governance and Nominating Committee (“the Committee”) of Pixelworks, Inc. (“the Company”) is appointed by the Board of Directors (“the Board”) to assist the Board in fulfilling its responsibilities and duties related to director nominations, Board committees and corporate governance.

**II. COMMITTEE STRUCTURE**

**A. COMMITTEE SIZE AND MEMBERSHIP**

The Committee shall be comprised of three or more directors. Members of the Committee are appointed by the Board from time to time and may be removed by the Board at any time. Each member shall be an “independent director” as determined by the Board in accordance with Section 301 of the Sarbanes-Oxley Act of 2002 and the rules promulgated by the Securities and Exchange Commission and NASDAQ stock market.

**B. COMMITTEE CHAIR**

The Board may appoint one member to serve as Committee Chair to convene and chair all regular and special sessions of the Committee, to set agendas for Committee meetings, and to determine and communicate to management and the full Board the information needs of the Committee. If the Board fails to appoint a Committee Chair, the members of the Committee shall elect a Chair by majority vote of the full Committee.

**III. COMMITTEE MEETINGS**

Meetings shall be held upon call, but in no circumstances less than once per year. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee will cause to be kept adequate minutes of all of its proceedings, and will either submit the minutes of each of its meetings to the Board, or report the matters raised at each of its meetings directly to the Board.

**IV. DUTIES AND RESPONSIBILITIES**

In furtherance of its purpose, the Committee shall have the following specific duties and responsibilities:

A. MAINTAIN THE COMMITTEE CHARTER

The Committee shall review and reassesses the adequacy of this Charter annually and shall recommend changes to the Board for approval as necessary.

B. DEVELOP AND MAINTAIN CORPORATE GOVERNANCE GUIDELINES

The Committee is responsible for making corporate governance recommendations to the Board and developing the Corporate Governance Guidelines (“Guidelines”). The Guidelines will be periodically reviewed by the Committee to ensure their adequacy. Recommended changes shall be presented to the full Board for approval.

C. REVIEW BOARD STRUCTURE

The Committee is responsible for regularly reviewing the structure of the Board including its overall size, its number of independent Directors and the committee structure. Recommended changes shall be presented to the full Board for approval.

D. POLICIES AND PROCEDURES FOR DIRECTOR SELECTION

*Process for Identifying and Evaluating Director Candidates*

The Committee shall actively seek individuals qualified to become Board members and conduct appropriate inquiries into the backgrounds and qualifications of possible nominees. The Committee shall identify potential candidates by soliciting nominations from existing Board members and through nominations by shareholders. Candidates will first be evaluated by an examination of a candidate’s experience and qualifications. If a candidates experience and qualifications are desirable, the Committee will interview and perform reference checks on all qualified candidates before recommending a candidate for nomination to the Board.

*Minimum Qualifications for Directors / Desired Qualifications and Skills*

At a minimum, candidates must possess experience with businesses or organizations of comparable or greater size than the Company. Because the Board values diversity, qualifications and skills that are complementary to existing Board members are highly desirable.

When considering candidates for Director, the Committee takes into account a number of factors, including the following:

- Independence from management;
- Whether the candidate has relevant business experience;
- Judgment, skill, integrity and reputation;
- Existing commitments to other businesses;
- Potential conflicts of interest with other pursuits;

- Legal considerations such as antitrust issues;
- Corporate governance background;
- Financial and accounting background, to enable the committee to determine whether the candidate would be suitable for Audit Committee membership;
- Executive compensation background, to enable the committee to determine whether the candidate would be suitable for Compensation Committee membership; and
- The size and composition of the existing Board.

The Committee restates for purposes of its own board search purposes the Corporation's emphatic commitment to nondiscrimination on the basis of age, gender, ethnic background, religious affiliation, or other personal characteristics unrelated to the Company's purpose and mission.

#### *Submission of Shareholder Nominees*

The Company's Bylaws set forth procedures that must be followed by shareholders seeking to make nominations for directors. Such nominations must be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting at which directors are to be elected; provided, however, that in the event that less than 60 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made.

Each such notice given by a stockholder with respect to nominations for the election of directors must set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of stock of the Corporation which are beneficially owned by such person, and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) to the shareholder giving the notice, (i) the name and address, as they appear on the Corporation's books, of such shareholder, and (ii) the class and number of shares of stock of the Corporation which are beneficially owned by such shareholder.

At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a shareholder's notice of nomination which pertains to the nominee.

In the event a shareholder has submitted a proposed nominee, the Board would consider the proposed nominee, along with any other proposed nominees recommended by individual directors, in the same manner in which the Board of Directors would evaluate nominees for director recommended by the Board of Directors.

#### *Recommend Candidates to the Board*

Committee nominees for Director will be selected on the basis of their integrity, experience, achievements, judgment, intelligence, personal character, ability to make independent analytical inquiries, willingness to devote adequate time to Board duties and ability to serve on the Board for a substantial period of time.

The Committee shall select the candidates whose attributes would be most beneficial to the Company and recommend those candidates to the Board. The Committee shall evaluate the performance of a Director before recommending his nomination for another term to the Board.

#### E. RECOMMEND DIRECTORS FOR COMMITTEE APPOINTMENTS

The Committee shall recommend Directors to serve as members of each Board committee based on the desires, experiences and expertise of the individual Directors. The Committee shall review and recommend committee slates annually and shall recommend additional Committee members as needed.

#### F. OVERSEE DIRECTOR ORIENTATION / TRAINING

The Committee shall ensure that new Directors receive an adequate orientation and that an appropriate continuing education program is developed for all Directors annually.

#### G. REVIEW OTHER DIRECTORSHIPS

The Committee shall review Directors' invitations to serve on other public company boards, and shall review the institutional and other affiliations of Directors and nominees for any potential conflicts of interest.

#### H. CHANGES IN PROFESSIONAL RESPONSIBILITY

The Committee shall review the continued appropriateness of Board membership when changes in a Director's professional responsibility arise.

#### I. RECEIPT OF SHAREHOLDER COMMUNICATIONS

The Chairman of the Corporate Governance and Nominating Committee shall be responsible for addressing shareholder comments directed to the Board and for reporting such matters to the entire Board at regularly scheduled Board meetings.

**J. OVERSEE ANNUAL SELF EVALUATION PROCESS / CONDUCT SELF EVALUTION**

The Committee is responsible for developing and overseeing an annual self-evaluation process for the performance of the Board, Board Committees and individual Directors. The Committee is also responsible for assessing the effectiveness of the process used, and performing an annual evaluation of itself.

**K. ADDITIONAL RESPONSIBILITIES**

In addition to the powers and responsibilities expressly delegated 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.

**V. SEARCH FIRMS AND OTHER ADVISORS**

If a search firm is to assist the Committee in the identification of Director candidates, then the Committee will have the sole authority to retain and terminate such search firm, including the sole authority to approve the search firm's fees and other retention terms.

To the extent that it deems necessary and appropriate, the Committee shall also have the authority to obtain advice and assistance from legal and other advisors, and is empowered without further action from the Company to cause the Company to pay the compensation of such advisors.