

CAVIUM, INC.
CORPORATE GOVERNANCE POLICIES OF THE BOARD OF DIRECTORS
Adopted January 24, 2014

I. INTRODUCTION

The Board of Directors (the “**Board**”) of Cavium, Inc. (the “**Company**”) has adopted these governance policies to assist it in following corporate practices that serve the best interests of the Company and its stockholders. The Board intends that this statement of policies is a flexible general framework to assist the Board in carrying out its responsibilities, and is not intended as creating binding legal obligations or inflexible requirements. This statement of policies should be interpreted in the context of all applicable laws and regulations, the Company’s charter documents and other governing legal documents and Company policies. These policies are subject to future changes or refinements as the Board may find necessary or appropriate.

II. ROLES AND RESPONSIBILITIES

The Company’s management, led by the Chief Executive Officer, is responsible for running the day-to-day operations of the Company and appropriately informing the Board of the status of operations.

The Board has a responsibility to protect and enhance the assets of the Company and serve the best interests of the stockholders. The Board oversees the Chief Executive Officer and other senior management and monitors the effectiveness of management and Company policies and decisions.

III. BOARD COMPOSITION

A. Selection of Directors. The Board, with the assistance of the Nominating and Corporate Governance Committee, is responsible for selecting members to fill Board vacancies and nominating candidates for election by the stockholders at the Annual Meeting. Nominations shall be approved by a majority of the independent directors.

1. Board Membership Criteria. The Board’s policy is to encourage selection of directors who will contribute to the Company’s overall corporate goals. The Board and the Nominating and Corporate Governance Committee will from time to time review the experience and characteristics appropriate for Board members and director candidates in light of the Board’s composition at the time and skills and expertise needed at the Board and committee levels.

2. Management Director. The Board anticipates that the Company’s Chief Executive Officer will be nominated to serve on the Board.

B. Size of the Board. The number of directors shall be established by the Board in accordance with the Bylaws of the Company. The Board will review the appropriate size of the Board from time to time and may increase or decrease the number of directors constituting the Board of directors upon approval of a majority of the directors then in office. The number of

directors so determined shall be the authorized number of directors of the corporation. Directors shall be elected at each annual meeting of stockholders to hold office for the term of their class of directors, as provided in the Company's Certificate of Incorporation and Bylaws.

C. Independent Directors.

1. Majority of Independent Directors. It is the objective that a majority of the directors serving on the Board meet the standard of director independence set forth in the Listing Standards of The Nasdaq Global Select Market as the same may be amended from time to time (the "*Listing Standards*"). The Board composition shall also satisfy other criteria not inconsistent with the Listing Standards that the Board considers appropriate for effective decision-making by the Board.

2. Affirmative Determination of Independence. Based on information provided by Board members and advice of counsel, the Board or a designated committee shall affirmatively determine at times required by the Listing Standards or applicable laws that the directors designated as independent have no material relationships to the Company (either directly or with an organization in which the director is a partner, stockholder or officer or is financially interested) that may interfere with the exercise of their independence from management and the Company.

D. Board Leadership. The Board may select a chairperson of the Board in the manner and upon the criteria that the Board deems appropriate at the time of selection.

In the event that the Company does not have an independent chairperson of the Board, a lead independent director of the Board (the "*Lead Independent Director*") may be designated by a majority vote of the independent directors. The name of the Lead Independent Director shall be disclosed in the Company's proxy statement. In addition to the duties of all Board members (which shall not be limited or diminished by the Lead Independent Director's role), the specific responsibilities of the Lead Independent Director are to: (i) in conjunction with the Chief Executive Officer establish Board meeting agendas; (ii) preside over meetings of the independent directors of the Board; (iii) preside over any portions of meetings of the full Board at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; (iv) preside over any portions of meetings of the full Board at which the performance of the Board is presented or discussed; and (v) coordinate the activities of the other independent members of the Board.

E. Length of Service. The Board believes that term limits and mandatory retirement ages for directors are not in the best interests of the Company. Directors who have served on the Board for an extended period of time are able to provide valuable insight about the business and operations of the Company based on their experience with and understanding of the Company's history, policies and objectives.

F. Assessing the Board's Performance. The Nominating and Corporate Governance Committee shall periodically assess the performance of the Board and its committees and report the results of such assessment to the Board.

G. Election of Directors. Any nominee for director in an uncontested election who receives a greater number of votes “withheld” from his or her election than votes “for” such election shall submit his or her offer of resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall consider all of the relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation. The Board will then act on the Nominating and Corporate Governance Committee's recommendation. Promptly following the Board's decision, the Company will disclose that decision and an explanation of such decision in a filing with the Securities and Exchange Commission or a press release.

H. Director Time Commitment. Ability to devote sufficient time to their Board and committee duties and to understanding and following the Company’s business is one of the principal criteria used to evaluate potential and existing directors. The Nominating and Corporate Governance Committee will review the other commitments of potential candidates for the Board, and will annually review the other commitments of existing Board members and make a determination as to whether or not such other commitments allow such director to devote the necessary time to the Company. Service on the boards and/or committees of any other company should be consistent with the Company’s Code of Conduct.

I. Change in Director Occupation. The Board does not believe directors who change their principal occupation or business association should necessarily leave the Board. However, when a director’s principal occupation or business association changes during his or her tenure as a director, that director shall notify the Nominating and Corporate Governance Committee of such change. The Nominating and Corporate Governance Committee will then evaluate whether the individual continues to satisfy the Board’s membership criteria in light of his or her new occupation or business association and will recommend to the Board the action, if any, to be taken.

IV. BOARD MEETINGS

A. Meetings of Independent Directors. The independent directors will hold during each fiscal year at least two meetings without management present, at such times and for such purposes as the independent directors consider appropriate. Such meetings may, but need not, be scheduled to coincide with the dates of regular meetings of the Board. The independent directors may invite the Company’s independent auditors, legal counsel, finance staff and other employees to attend all or portions of these meetings.

B. Agenda. The chairperson of the Board, if so designated, or the Chief Executive Officer will have primary responsibility for preparing any agenda for a meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. The agenda should address items suggested for inclusion by Board members.

C. Board Materials Distributed In Advance. Information and data concerning the Company, its financial affairs, operations and strategy is important to the Board’s understanding and decision-making process. When feasible, appropriate information relating to the agenda items should be distributed in writing to the Board before the Board meets so that Board meeting

time may be conserved and discussion time focused on issues raised by the material or the agenda items. For sensitive or late-breaking topics, discussion will be held at the meeting and no materials need be distributed with respect to that topic.

D. Board Access to Management and Information. The Company's management will afford each Board member access to Company employees, and outside auditors, legal counsel and other Company advisors for any purpose reasonably related to the Board's responsibilities. Furthermore, the Board encourages management to bring to Board meetings, from time to time, Company personnel who can provide additional insight into the items being discussed because of their expertise in these areas, and/or to present key employees who should be given exposure to the Board. Management is responsible for arranging presentations at Board meetings by the Company managers and otherwise providing reports to the Board that will communicate to the Board at appropriate times meaningful information about the operations of the Company. Each director is entitled to inspect the Company's books and records and obtain such other data and information as the director may reasonably request; inspect facilities as reasonably appropriate for the performance of director duties; and to receive notice of all meetings in which a director is entitled to participate and copies of all Board meeting minutes.

E. Outside Advisors. The Board and its committees shall have standing authorizations, at their discretion, to obtain legal or other advisors of their choice, at the Company's expense, who shall report directly to the Board or the committee for any matters relating to the purpose or responsibilities of the Board.

V. BOARD COMMITTEES

A. Committees. The current committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board may form, merge or dissolve committees as it deems appropriate from time to time.

B. Committee Member Selection. Upon recommendation by the Nominating and Corporate Governance Committee, the Board will designate the members and the chairperson of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee shall be independent as defined in the Listing Standards and applicable laws, rules and regulations and exceptions shall only be made under unusual circumstances.

C. Committee Functions. Each committee will have a written charter approved by the Board. The written charter for each committee shall be in compliance with all legal requirements and Listing Standards. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in light of the committee's charter, the authority delegated by the Board to the committee, and the legal, regulatory, accounting and governance principles applicable to the committee's function. The Company will afford access to the Company's employees, professional advisors and other resources, if needed, to enable committee members to carry out their responsibilities.

VI. BOARD MEMBER RESPONSIBILITIES

A. Directors' Responsibilities.

1. Generally. A director is expected to discharge his or her duties, including duties as a member of any committee on which he or she serves, in good faith and in a manner the director reasonably believes to be in the best interests of the Company and its stockholders and to abide by the highest ethical and fiduciary standards.

2. Disclose Relationships and Other Information. Each director is expected to disclose promptly to the Board and will respond promptly and accurately to periodic questionnaires or other inquiries from the Company regarding any existing or proposed relationships with the Company, including compensation and stock ownership, which could affect the independence of the director under applicable Listing Standards or any additional standards as may be established by the Board from time to time. Each director shall also promptly inform the Company of any material change in such information, to the extent not already known by the Company.

3. Preparation and Attendance. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting.

4. Reliance on Information. In discharging responsibilities as a director, a director is entitled to rely on reports or other information provided by Company management, independent auditors, legal counsel and other persons as to matters that the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

5. Applicable Laws and Policies. Board members will comply with all applicable laws and requirements of applicable regulatory agencies and with all policies and guidelines of the Company, including, without limitation, the Company's Code of Conduct and these Corporate Governance Policies. At the Company's request, Board members shall enter into appropriate agreements with respect to such compliance.

B. Confidentiality.

1. Generally. Directors have an obligation to protect and keep confidential all non-public information related to the Company ("**Confidential Information**") unless and until the Company has authorized disclosure (or unless otherwise required by law or regulation).

2. Confidential Information. Confidential Information includes all non-public information entrusted to or obtained by a Director by reason of his or her position on the Board, such as information regarding the strategy, business, finances and operations of the Company, minutes, reports and materials of the Board and its committees, documents identified as confidential by the Company and all other non-public information provided by the Company, including, but not limited to, non-public information concerning:

(i) the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to acquisitions, divestitures and actions relating to the Company's stock;

(ii) possible transactions with other companies or information about the Company's customers, suppliers, licensors or joint venture partners that the Company is under an obligation to maintain as confidential; and

(iii) the proceedings and deliberations of the Board and its committees, and the discussions and decisions between and among employees, officers and directors and their advisors.

3. Use. Directors may not use Confidential Information for personal benefit or to benefit other persons or entities other than the Company.

4. Disclosure. Directors shall refrain from disclosing Confidential Information to anyone outside the Company, specifically including any principal or employee of any entity or person that employs the director or has sponsored the director's election to the Board, except with Company authorization or as otherwise may be required by law.

5. Survival. The obligations described above continue even after service on the Board has ended.

6. Questions. Any questions or concerns about potential disclosures should be directed to the General Counsel, who then may communicate with the Chief Executive Officer, the Chairman of the Board and/or the Nominating and Corporate Governance Committee regarding such potential disclosures.

C. Review of Corporate Governance Guidelines. The Board expects to review these guidelines periodically.

VII. STOCK OWNERSHIP GUIDELINES

In order to align the interests of the Board and executive officers with the Company's stockholders, the Board believes that Board members and executive officers (as determined by the Board) of the Company should hold an equity stake in the Company. The Chief Executive Officer of the Company is required to hold a number of shares of the Company's common stock with a value equal to three (3) times his or her annual base salary. All other executive officers of the Company are required to hold a number of shares of the Company's common stock with a value equal to one (1) times his or her annual base salary. Members of the Board are required to hold a number of shares of the Company's common stock with a value equal to five (5) times the directors' annual cash compensation for service on the Board. Each member of the Board and executive officer of the Company shall have until (a) January 1, 2016 or (b) three years from his or her appointment as a Board member or executive officer of the Company, to comply with these Stock Ownership Guidelines, and in the event an executive officer is promoted to Chief Executive Officer, he or she shall have three years to comply with the additional holding requirement (the "**Phase-In Period**"). The Nominating and Corporate Governance Committee in its discretion may extend a Phase-In Period or make other exceptions in the event of financial

hardship or other appropriate circumstances, including in the event of the Board member or executive officer ceasing to be in compliance as a result of a decrease in the price of the Company's common stock.

The Nominating and Corporate Governance Committee will review compliance with the Stock Ownership Guidelines at least annually. For purposes of determining compliance with these Stock Ownership Guidelines, stock ownership includes all shares of Company common stock owned outright or held in trust for the Board member or executive officer and his or her immediate family as well as vested deferred stock units and the net exercise or "spread" value of vested stock options, however, neither unvested restricted stock unit awards nor unvested Company options shall be included in the calculation. Notwithstanding any provisions of these Stock Ownership Guidelines, all Board members and executive officers must at all times comply with the terms of the Cavium Insider Trading Policy.