

Cypress Semiconductor Corporation

Non-Employee Director Stock Ownership Requirements

The non-employee director stock ownership requirements are set forth in Section G. of the *Corporate Governance Guidelines*. The requirements are as follows:

Directors. Our non-employee directors shall be required to own a number of shares of Company common stock equal to five (5) times the annual cash retainer for non-employee directors (currently \$50,000). New non-employee directors are required to meet the requirement within five years of their appointment or initial election to the Board. The term “ownership” includes (i) shares of Company common stock held directly by the non-employee director; (ii) shares of Company common stock held by a family member of a non-employee director living in the same household; and (iii) shares of Company common stock held in a trust in which the non-employee director is a grantor or beneficiary with voting and investment power. “Ownership” does not include options to purchase stock or unvested restricted stock units.

Stock Holding Requirement. Each director subject to the stock ownership requirements above shall be required to hold 100% of his or her net shares until the earlier of: (i) the end of such individual’s directorship with the Company, and (ii) the time the individual meets the Company’s stock ownership requirements.