



Nominating and Corporate Governance Committee

CYPRESS SEMICONDUCTOR CORPORATION CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the "Committee") is to assist the Board of Directors (the "Board") of Cypress Semiconductor Corporation (the "Company") in discharging its responsibilities with respect to:

- A. The identification of individuals qualified to become directors and the selection or recommendation of candidates for all directorship positions to be appointed by the Board or elected by shareholders;
- B. The evaluation of the continuation and/or termination of directorship of Board members;
- C. The definition of the criteria for director continuing education programs in conjunction with the Company's management;
- D. Shaping and overseeing corporate governance policies, procedures and principles applicable to the Company and for periodically reviewing such policies, procedures and principles; and
- E. Monitoring continuing education among Board members.

In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

2. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of at least two independent members of the Board, each of whom shall be appointed by, and serve at the discretion of the Company's Board. Each Committee member must satisfy the requirements for independence under the rules of the Securities and Exchange Commission and set out in the Nasdaq Stock Market ("NASDAQ") Listing Standards.

Appointment and Removal

The members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by the Board.

Chairman

Unless a Chairman of the Committee is elected by the Board, the Committee shall designate a Chairman by majority vote of the members. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

Compensation

Members of the Committee shall receive such fees for their service as Committee members as may be determined by the Board.

3. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairman or any member of the Committee may request meetings of the Committee. At all meetings of the Committee, a majority of the authorized number of Committee members shall constitute a quorum for the transaction of business and the act of a majority of the Committee members present at any Committee meeting at which there is a quorum shall be the act of the Committee, except as may be otherwise specifically provided by statute (such as in the case of a recusal due to a conflict of interest) or by the Company's Certificate of Incorporation.

Meetings of the Committee may be held telephonically. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee may also act by written consent, which shall constitute a valid action of the Committee if it has been executed by each Committee member and shows the date of execution. The written consent will be effective on the date of the last signature and will be filed with the minutes of Board meetings.

4. RESPONSIBILITIES AND DUTIES

Consistent with the purposes of the Committee set forth above, the responsibilities and duties of the Committee shall include:

- A. In consultation with the Board, consider and make recommendations to the Board concerning the appropriate size, function and needs of the Board, taking into account that the Board as a whole shall have competency in the following areas: (i) industry knowledge, (ii) accounting and finance, (iii) business judgment, (iv) management, (v) leadership, (vi) international markets, (vii) business strategy, (viii) crisis management, and (ix) corporate governance;
- B. In consultation with the Board, determine the criteria for Board membership, including the appropriate qualifications, skills, character and integrity, general business and industry experience, leadership profile, strategic planning abilities and experience, aptitude in accounting or finance, expertise in domestic and international markets, industry knowledge, understanding of relevant technologies, communications and interpersonal skills, and ability and willingness to devote time as needed for Board services;
- C. Assess, and make recommendations to the Board regarding, the independence of candidates for Board and Committee membership and annually assess, and make recommendations to the Board regarding the independence of the Board and Committee members.
- D. Recruiting, evaluating and recommending candidates to be presented for appointment or election to serve as members of the Board including the review and recommendation to the Board regarding shareholder-recommended candidates for nomination to the Board. Conduct searches for prospective directors shall be made without regard to race, gender, age, religion, national origin, sexual orientation or physical limitation;
- E. Evaluate and make recommendations to the Board concerning the appointment of directors to Board committees and the selection of Board chairs to such committees;
- F. Evaluate as needed and address any concerns regarding the performance of any current directors, and recommend action to the chairman of the Board if needed;
- G. Evaluate and recommend to the Board the responsibilities of the Board committees, including the structure, operations and the authority to delegate to subcommittees;
- H. Review, at least annually, the Company's Corporate Governance Guidelines (the "Guidelines") and recommend any changes to the Board for its approval and adoption;
- I. Review and approve changes to the Company's Code of Business Conduct and Ethics (the "Code of Conduct") and recommend for Board approval any requested waivers of the Code of Conduct related to the executive officers or members of the Board;
- J. Review and approve changes to the Company's Insider Trading Policy;

- K. Review and recommend changes, as necessary, to the Company's corporate governance disclosures;
- L. Annually evaluate its own performance as well as oversee the evaluation of management and the annual self-evaluation of the Board and Board committees;
- M. Report its activities and actions to the Board on a regular basis, but at least annually;
- N. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for its approval;
- O. Adopt policies and procedures regarding stockholder recommendations of candidates for the Board;
- P. Review and consider proxy statement proposals submitted to the Company for shareholder approval and ensure that such proposals, if approved, are implemented as approved;
- Q. Determine the criteria and requirements for the Board's director continuing education program; and track compliance with such program; and
- R. Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation, Bylaws, Guidelines and Code of Business Conduct and Ethics, as the Committee or the Board deems necessary or appropriate.

This list of responsibilities is presented for illustrative purposes and is not intended to be exhaustive. The Committee may conduct additional activities as appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee, in discharging its oversight role, in consultation with the Board, may study or investigate any matter of interest or concern that the Committee deems appropriate. The Committee shall have the sole authority to obtain advice from internal and external legal, accounting, or other experts or advisors as deemed necessary by the Committee in the discharge of its responsibilities. The Committee shall have the authority to approve the fees payable to such advisors or experts and any other terms of retention. The Committee shall also have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.