

**MIPS TECHNOLOGIES, INC.**

**CHARTER OF THE  
COMPENSATION AND NOMINATING COMMITTEE  
OF THE  
BOARD OF DIRECTORS**

**Adopted on May 6, 2010; amended on August 11, 2011**

**I. PURPOSE AND AUTHORITY:**

The Compensation and Nominating Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of MIPS Technologies, Inc. (the “**Company**”) is appointed by the Board to effect the Board’s responsibilities with respect to all forms of compensation of the Company’s executive officers and directors, to oversee the Company’s equity-based compensation plans, to oversee the preparation of disclosures regarding executive and director compensation for inclusion in the Company’s proxy statement, and to oversee certain evaluation and nomination activities. This charter (the “**Charter**”) sets forth the authority and responsibility of the Committee for approving and evaluating executive officer and director compensation arrangements, plans, policies and programs of the Company, for overseeing the Company’s equity-based compensation plans for employees, whether adopted prior to or after the date of adoption of the Charter, for overseeing the preparation of the applicable disclosures in the Company’s proxy statement, and for overseeing various activities related to the Board and its committees, including the evaluation and nomination of candidates for appointment or election as members of the Board.

**II. MEMBERSHIP:**

The Committee will consist of not less than three members of the Board, all of whom will be non-employees of the Company, with the exact number being determined by the Board. Each of the members of the Committee will:

- (i) be an “independent director” as defined under the applicable rules and regulations of The NASDAQ Stock Market, as may be amended from time to time (the “**Rules**”), except as otherwise permitted by such Rules;
- (ii) be “independent” as defined in any other rules and regulations (“**Commission Rules**”) promulgated by the Securities and Exchange Commission (the “**Commission**”) under Section 10C of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), except as may otherwise be permitted by Commission Rules;
- (iii) be an “outside director” under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended; and
- (iv) satisfy any other requirements for membership imposed by applicable laws or regulations subject to any exemptions and transition provisions.

All members of the Committee will be appointed by the Board and shall serve at the discretion of the Board.

The Board will select members of the Committee who will serve during their respective terms as a director, subject to earlier resignation or removal by the Board. Unless a chair is elected by the Board, the members of the Committee may designate a chair by majority vote of the Committee membership.

### **III. DUTIES AND RESPONSIBILITIES:**

The following shall be the principal duties and responsibilities of the Committee. These items are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities. In addition to the duties and responsibilities set forth below, the Committee shall perform such other duties as are delegated to it by the Board or required under applicable laws and regulations.

1. Annually review the Company's overall compensation strategy, including base salary, incentive compensation and equity-based grants, to assure that it promotes stockholder interests and supports the Company's strategic and tactical objectives, and that it provides for appropriate rewards and incentives for the Company's management and employees taking into consideration whether such rewards and incentives encourage undue or inappropriate risk taking by Company personnel.

2. Annually review and approve the goals and objectives to be considered in determining the compensation of the Company's Chief Executive Officer (the "CEO") and other "executive officers" as defined under Rule 3b-7 and "officers" as defined under Rule 16a-1(f) promulgated under the Exchange Act (collectively with the CEO, the "Executive Officers"), and evaluate their performance in light of these goals and objectives.

Based on this evaluation, the Committee will have the authority, subject to any approval by the Board which the Committee or legal counsel determines to be desirable or is required by applicable law or the Commission Rules, to make decisions respecting: (i) the salary paid to the CEO and other Executive Officers, (ii) the grant of all cash-based incentive compensation and equity-based compensation to the CEO and other Executive Officers, (iii) the entering into or amendment or extension of any offer letter, employment contract or similar arrangement with the CEO and other Executive Officers, (iv) the entering into or amendment or extension of any CEO or other Executive Officer severance or change in control arrangements, and (v) any other CEO or other Executive Officer compensation matters as directed by the Board; provided that the Committee may take account of the recommendations of the Board (or any Board member) with respect to CEO and other Executive Officer compensation.

In connection with its evaluation of Executive Officer compensation, the Committee will consider the results of the most recent stockholder vote on executive compensation, and make such adjustments to Company compensation practices for Executive Officers as it deems appropriate in response thereto, if any.

3. The Committee will have the authority and right, as and when it shall determine to be necessary or appropriate to the functions of the Committee, at the expense of the Company, to retain and terminate consultants (including compensation consultants and executive search firms), legal counsel and other advisors of its choosing to assist the Committee in connection with its functions. The Committee shall have the authority to approve the fees and other retention terms of any such advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors engaged by the Committee pursuant to this Charter. The Committee will have access to the information and resources it deems necessary for it to properly carry out its duties.

4. The Committee will review and make recommendations to the Board regarding the directors' compensation plan.

5. Unless otherwise directed by the Board, the Committee will periodically review the succession plan for the CEO and Executive Officers, and the Company's strategies to facilitate the readiness of candidates identified for these positions.

6. The Committee will annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans and arrangements, and the amounts and shares reserved thereunder after taking into consideration the Company's strategies with respect to short and long-term cash and equity-based compensation.

7. The Committee will act as the "Committee" under any equity compensation plans adopted by the Company, including, without limitation, the Amended and Restated 1998 Long-Term Incentive Plan and the 2002 Non-Qualified Stock Option Plan (collectively, the "**Plans**") and administer the Plans and exercise the powers and authority granted to said Committee under the Plans. The Committee will: (i) approve grants of stock, stock options, stock units, stock purchase rights and other equity compensation awards to individuals eligible for such grants (including grants in compliance with Rule 16b-3 (promulgated under the Exchange Act) to Executive Officers); (ii) interpret the equity-based compensation plans and agreements thereunder; and (iii) determine acceptable forms of consideration for stock acquired pursuant to equity-based compensation plans. The Committee may provide guidance on withholding tax matters if appropriate under the Plans and applicable law. The Committee may delegate to an "Administrator" under the Plans the authority to grant equity compensation awards (including stock, stock options, stock units, stock purchase rights and other equity compensation awards) to employees of the Company or of any subsidiary of the Company, who are not directors of the Company or the CEO, provided that no award grant exceeds any limit established by resolution of the Board or the Committee.

8. The Committee will periodically review the Company's procedures with respect to employee loans, and will not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit or renews an extension of credit, in the form of a personal loan to or for any director of the Company or Executive Officer (or equivalent thereof) of the Company. The Committee will assist the Board and management of the Company in complying with this prohibition.

9. The Committee will review management's overall human resources policies and strategies.

10. The Committee will oversee the preparation of disclosures regarding the compensation of directors and Executive Officers, including the Company's compensation discussion and analysis, any narrative disclosure regarding the Company's compensation policies and practices as they relate to risk management, and the compensation committee report, for inclusion in the annual report or proxy statement for the Company's annual meeting of stockholders in accordance with the rules and regulations of the Securities and Exchange Commission.

11. The Committee shall consider and make recommendations to the Board regarding the frequency with which stockholder "Say-on-Pay" votes should occur, including whether to make any such recommendation at all regarding the frequency of such votes. Following any such Say-on-Pay frequency vote, the Committee shall make recommendations to the Board regarding the frequency with which Say-on-Pay votes shall be included in the Company's proxy statements pending the next such Say-on-Pay frequency vote.

12. The Committee will review and approve policies and procedures relating to perquisites of the CEO and other Executive Officers and will oversee the Company's compliance with regulatory requirements associated with the compensation of its directors, Executive Officers and employees.

13. The Committee will make recommendations on an annual basis for the size and composition of the full Board and its standing committees (currently the Audit and Corporate Governance Committee and the Compensation and Nominating Committee), including their respective chairs.

14. The Committee will define the future membership needs of the Board and help identify, recruit, evaluate and nominate candidates for appointment or election as members of the Board.

15. The Committee will assist the Chairman of the Board in the annual evaluation of individual members of the Board and its standing committees.

16. The Committee will review and make recommendations regarding the appropriate skills and characteristics required of Board members on an annual basis. This assessment should include such factors as diversity, age, skills (such as an understanding of the Company's industry and the markets it serves, financial expertise, international background, and other skills relevant to the Company's business) and the perceived needs of the Board at that point in time. The Committee also will consider an individual's primary professional responsibilities and other board memberships in light of the time commitments involved and the degree to which those experiences will complement his or her service on the Board. Although the Committee shall use these and other criteria to evaluate potential nominees, there are no stated minimum criteria for nominees, unless such criteria are expressly adopted by the Committee.

17. The Committee will approve all nominees to serve as members of the Board before they are appointed by the Board or proposed by the Board for election by the

stockholders, including approval of a slate of director nominees to be proposed by the Board for election at each annual meeting of stockholders and approval of all director nominees to be elected by the Board or stockholders to fill vacancies on the Board.

18. In connection with its nominating duties, the Committee may retain and terminate any search firm to be used to identify candidates to serve as members of the Board.

19. The Committee welcomes stockholder recommendations for director candidates. To that end, the Committee shall establish the procedures for stockholders to submit director nominee recommendations and will consider any nominees properly submitted by stockholders.

20. The Committee will perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this Charter, the Company's Certificate of Incorporation and Bylaws, and applicable laws, rules or regulations as the Committee or the Board deems necessary or appropriate.

21. The Committee will review this Charter as appropriate and recommend to the Board any changes it determines are appropriate.

22. The Committee will have the authority, consistent with the Delaware General Corporation Law, to create one or more subcommittees, each subcommittee to consist of one or more members of the Committee, and delegate to any such subcommittee any or all of the powers and authority of the Committee.

#### **IV. MEETINGS:**

Meetings of the Committee will be held from time to time, but at least three times per year, in response to the needs of the Board or as otherwise determined by the Chair of the Committee. Meetings will be presided over by the Chair of the Committee, with the agenda for each meeting to be determined by the Chair of the Committee after consideration of suggestions from other Committee members and the Company's management. The Committee shall report to the Board from time to time, regularly and as requested by the Board, and at such other times as determined by the Committee to be appropriate. In accordance with the Bylaws of the Company and in lieu of a meeting, the Committee may also act by unanimous written consent. The Committee may in its sole discretion invite persons who are not members of the Committee to attend Committee meetings, or exclude persons who are not members of the Committee from Committee meetings.

#### **V. MINUTES:**

The Committee will maintain written minutes of its meetings, and will file such minutes with the minutes of the meetings of the Board.