

MIPS Technologies, Inc.
Audit and Corporate Governance Committee Charter
(Adopted by the Board of Directors on July 29, 2004)

Organization

The Audit and Corporate Governance Committee is a standing committee of the Board of Directors. The committee will consist of at least three members of the Board of Directors, all of whom are "independent" as defined in applicable stock exchange rules and are otherwise free of any relationship that in the opinion of the Board of Directors would interfere with their exercise of independent judgment. All committee members must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's financial sophistication, including a current or past position as a chief executive or financial officer or other senior officer with financial oversight responsibilities. The Board will designate committee members and the committee chair annually.

Statement of Policy

The primary objective of this committee is to assist the Board in fulfilling its fiduciary responsibilities relating to accounting, finance and reporting practices and the audits of the financial statements of the Company, including its internal controls and the integrity of its financial reports. In meeting this objective, the committee is responsible for maintaining a free and open means of communication between the directors, the independent accountants, and the Company's management. The committee has the power to confer with and direct corporate officers of the corporation to the extent necessary to accomplish its charter. The independent accountants shall report directly to the committee and are ultimately accountable to the Board of Directors and the committee.

The committee shall also develop, oversee and monitor the implementation and effectiveness of the Company's Corporate Governance Guidelines. The committee will review, on a regular basis, the overall corporate governance of the Company and recommend improvements when needed.

In addition, the committee shall serve as the "qualified legal compliance committee" of the Company within the meaning of Part 205 of Chapter II of Title 17 of the Federal Register ("Part 205") (in such capacity, the "QLCC").

Responsibilities

To best carry out its responsibilities, the committee's policies and procedures should remain flexible in order to address changing conditions. Specific responsibilities of the committee include:

- Appointment of the independent accountants.
 - Select and evaluate the independent accountants to be ratified by the shareholders to audit the Company's accounts, or where appropriate, the replacement of the independent accountants, and approve the compensation of the independent accountants for audit services.
 - Evaluate the independence of the independent accountant, including a review of non audit-related services provided by and related fees charged by the independent accountants.
 - Obtain a formal written statement, as required by the Independence Standards Board, from the independent accountants delineating relationships between the accountant and the Company and actively engage in dialogue with the independent accountants regarding matters, relationships or services that may impact the objectivity and independence of the accountants and take, or recommend that the full board take, appropriate action to oversee the independence of the outside accountants.
 - Annually review and evaluate the qualifications, performance and independence of the independent accountant and assure regular rotation as required by law (currently, at least once every five years) of the lead partner who performs the audit services for the Company.
 - Pre-approving all audit and non-audit services to be provided by the independent accountants. The committee may delegate the authority to grant such pre-approvals to one or more members of the committee, provided that the pre-approval decision and related services are presented to the committee at its next regularly scheduled meeting.

- Review and approve the audit activities at the Company.
 - Meet with the independent accountants and financial management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and upon the completion thereof review such audit, including any comments or recommendations of the independent accountants and resolution of any disagreements between Company management and the independent accountants.

- Review financial results.
 - Prior to the release of the Company's unaudited quarterly financial results, review the results with management and the independent accountants, considering reports from senior finance management as to major accounting matters and any material deviations from prior practice, and consultations with the Company's independent accountants.
 - Ensure that the independent accountants conduct a SAS 71 ("Interim Financial Information") review prior to the filing of the Company's Form 10-Q.
 - Prior to the release of the Company's fiscal year end operating results, review and discuss with Company management and the independent accountants the audited financial results for the fiscal year, including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

- At least annually discuss with the independent accountants the matters described in SAS 61 (“Communications with Audit Committees”).
 - Review with management and the independent accountants the Company’s critical accounting policies and the disclosure regarding those policies in the Company’s periodic filings with the Securities and Exchange Commission.
- Systems and reports.
 - Review with Company senior management and the independent accountants the adequacy and effectiveness of the accounting and financial systems controls of the Company.
 - Review and discuss the audited financial statements with management and, if necessary, the independent accountants, prior to recommending the inclusion of the audited financial statements in the Company’s Annual Report on Form 10-K.
 - Report annually in the Company’s proxy statement such information as may be required by the rules and regulations of the Securities and Exchange Commission.
- The committee will meet at least quarterly and more often as necessary.
- Provide sufficient opportunity for the independent accountants to meet with the committee without members of management present. Among the items to be discussed in these meetings are the independent accountants’ evaluation of the Company’s financial, accounting and auditing personnel and the cooperation that the independent accountants received during the course of the audit and quarterly reviews.
- Review corporate financial policies relating to compliance with laws and regulations, ethics, conflicts of interest and the investigation of misconduct and fraud.
- Review the Company's treasury policy.
- Review the Company’s program of risk management, including insurance coverage.
- Regularly prepare minutes of all meetings and report its activities to the general meeting of the Board of Directors.
- Review and reassess the adequacy of the Committee Charter on an annual basis.
- Establish procedures to receive and process complaints regarding accounting, internal auditing controls or auditing matters and for employees to make confidential, anonymous complaints regarding questionable accounting or auditing matters.
- Develop and recommend to the Board of Directors a set of corporate governance guidelines and review such guidelines annually and recommend changes as needed.
- Consider corporate governance issues that may arise from time to time and make recommendations to the Board with respect thereto.

- In its capacity as QLCC, the committee (*to the extent that terms used in the following description of the responsibilities of the QLCC are defined in Part 205, those terms shall be similarly defined herein*):
 - shall adopt written procedures for the confidential receipt, retention, and consideration of any report of evidence of a material violation under 17 CFR 205.3;
 - have the authority and responsibility (i) to inform the Company's chief legal officer and chief executive officer (or the equivalents thereof) of any report of evidence of a material violation (except in the circumstances described in 17 CFR 205.3(b)(4)); (ii) to determine whether an investigation is necessary regarding any report of evidence of a material violation by the Company, its officers, directors, employees or agents and, if it determines an investigation is necessary or appropriate, to: (A) notify either this committee in its capacity as Audit Committee or the full Board of Directors; (B) initiate an investigation, which may be conducted either by the chief legal officer (or the equivalent thereof) or by outside attorneys; and (C) retain such additional expert personnel as the committee deems necessary; and (iii) at the conclusion of any such investigation, to: (A) recommend, by majority vote, that the Company implement an appropriate response to evidence of a material violation; and (B) inform the chief legal officer and the chief executive officer (or the equivalents thereof) and the Board of Directors of the results of any such investigation under this section and the appropriate remedial measures to be adopted; and
 - has the authority and responsibility, acting by majority vote, to take all other appropriate action, including the authority to notify the Securities and Exchange Commission in the event that the Company fails in any material respect to implement an appropriate response that the committee has recommended.

- Perform such other specific functions as the Board of Directors may from time to time direct, including reviewing and approving all transactions between the Company and any related party, and making such investigations and reviews of the Company and its operations as the Board of Directors may from time to time request.

Resources

The Company's Chief Financial Officer will be management's primary liaison to the committee. The committee will have access to financial information and resources it deems necessary for it to properly carry out its duties.

The committee shall have the authority to retain outside counsel and any other advisors as the committee may deem appropriate in its sole discretion and will receive adequate funding from the Company to engage such counsel and advisors.