

THE BOARD OF DIRECTORS OF ALTERA CORPORATION

CORPORATE GOVERNANCE GUIDELINES

The primary responsibility of the Board of Directors (the “Board”) of Altera Corporation (“Altera” or the “Company”) is to provide effective governance over Altera’s affairs for the benefit of Altera’s stockholders, employees, customers, suppliers, and local communities. The Board’s responsibilities, which may be executed through one or more committees of the Board, include but are not limited to:

- Evaluating the overall performance of Altera and its business.
- Reviewing strategic plans and approving capital spending and operating budgets.
- Overseeing and evaluating management’s plans and actions with respect to enterprise-level risks.
- Selecting and regularly evaluating the performance of the Chief Executive Officer (“CEO”).
- Establishing the compensation of the CEO, other executive officers, and members of the Board.
- Reviewing succession plans for members of executive management and establishing a succession plan for the CEO.
- Reviewing corporate policies and practices regarding legal and ethical conduct.
- Through the Audit Committee, reviewing management’s processes for maintaining the integrity of Altera’s financial statements and other public financial disclosures.
- Evaluating itself in terms of size, independence, and overall effectiveness.

The following guidelines have been adopted by the Board to assist it in the exercise of its responsibilities. These guidelines are in addition to, and are not intended to change or interpret any law or regulation, including Delaware General Corporation Law, or Altera’s Certificate of Incorporation or Bylaws. These guidelines are subject to modification from time to time by the Board.

BOARD SIZE

The Nominating and Governance Committee monitors the size and composition of the Board on an ongoing basis and will make recommendations to the Board to increase or decrease the number of directors as circumstances warrant.

INSIDE / OUTSIDE DIRECTORS

It is the policy of the Board that a significant majority of its members will meet the standards for independence as defined by applicable law and the rules of the NASDAQ Stock Market ("NASDAQ"). Annually, the Board will affirmatively determine which directors meet such independence standards (hereinafter referred such directors will be referred to as "Independent Director(s)"). The Company will disclose such determinations in its annual proxy statement.

BOARD LEADERSHIP STRUCTURE

On a regular basis, the Nominating and Governance Committee will review the Board's leadership structure and may make suggested changes to the Board as it deems appropriate and in the best interests of the Company's shareholders. During such periodic reviews and in particular when there is a change in the Company's senior leadership including a change in the Chief Executive Officer, the Nominating and Governance Committee will consider whether to propose that the Board elect a Chair who is an Independent Director. The Nominating and Governance Committee may consider the following factors in deciding whether or not to recommend the election of an independent Chair: the tenure and experience of the Chief Executive Officer, the Company's financial performance and strategic direction, succession planning, industry knowledge of members of the Board, the willingness and ability of independent Board members to serve as Chair, the current performance of the Company's management, the current performance of the Board, and the relationship between the Board and members of management.

If the Board elects a Chair who is not an Independent Director, the Independent Directors, meeting in executive session, will elect a Lead Independent Director. It is the expectation of the Independent Directors that the Lead Independent Director will typically serve for a term of two years. In order to foster open communications between the board and management and to help ensure effective corporate governance for the benefit of stockholders, all directors are encouraged to provide input to the Chair and to members of management including requesting that items be placed on the Board's meeting agenda. , The Lead Independent Director is responsible for helping to foster this open communication between management and the Independent Directors. Taking input from the other Independent Directors, the Lead Independent Director shall:

- a. preside at all meetings of the Board at which the Chair is not present, including executive sessions of the Independent Directors;
- b. serve as liaison between the Chair and the Independent Directors;

- c. discuss with the Chair, the full Board, and/or members of management any issues or concerns raised by the other Independent Directors;
- d. approve the agendas for Board meetings;
- e. approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- f. review the materials that are sent to the Board prior to Board meetings;
- g. recommend to the Board the retention of consultants who report directly to the full Board;
- h. have the authority to call special meetings of the Board and of the stockholders as specified in the Company's by-laws;
- i. have the authority to call meetings of the Independent Directors;
- j. if requested by major shareholders, be available for consultation and direct communication; and
- k. perform such other duties as the Board may from time to time delegate to the Lead Independent Director.

BOARD MEMBERSHIP CRITERIA

The Nominating and Governance Committee is responsible for annually reviewing with the Board the appropriate skills and characteristics needed by the Board. This assessment includes evaluation of skills, relevant business experience and expertise (such as manufacturing, technology, financial, marketing, or international knowledge), diversity, and ability and willingness of board members to devote the necessary time to board service on an ongoing basis. The assessment is done in the context of what the perceived needs of the Board are at that time.

The Nominating and Governance Committee is responsible for nominating candidates for election to the Board. Candidates nominated for election to the Board are expected to have high personal and professional ethics, integrity, and an inquiring and independent mind, along with practical wisdom and mature judgment. The Nominating and Governance committee seeks to nominate a slate of candidates that are diverse not only as to experience and backgrounds but also as to race, gender, age, and national origin as well as other attributes. Consequently, the Nominating and Governance committee actively seeks out highly qualified women and members of minority groups to include in the pool of candidates who are considered for nomination to the Board.

Board members are expected to prepare for, attend, and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other commitments, such as other board memberships, do not materially interfere with Board service requirements. Non-employee Board members are prohibited from serving on more than four other public company boards of directors; employee Board members are prohibited from serving on more than one other public company board of directors.

ELECTION

All directors are elected annually by the stockholders.

TERM LIMITS

The Board does not have term limits or a mandatory retirement age. However, the Nominating and Governance Committee will consider various criteria, including a director's contributions and willingness and ability to devote the necessary time to Board service, in determining whether or not to recommend a director for reelection.

DIRECTOR COMPENSATION

The Compensation Committee is responsible for evaluating and establishing the compensation of members of the Board taking into consideration available data regarding peer companies and changes in duties and responsibilities of the members of the Board and its committees. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels or if Altera provides direct or indirect compensation to organizations with which a director is affiliated.

Each director and nominee for election to the Board is required to disclose in writing to the Chair of the Nominating and Governance Committee and to the Secretary any compensation he or she is receiving or will receive, directly or indirectly, from any party other than the Company for or in connection with his or her service on the Board. Any director or nominee for election to the Board who fails or refuses to disclose any such compensation shall be ineligible to stand for election at the annual meeting of stockholders.

AFFILIATIONS OF DIRECTORS

If a director has a material change in his or her job responsibilities or outside affiliations, including consulting relationships and board memberships, he or she is expected to notify as soon as possible the Nominating and Governance Committee chair and the Secretary to the Board. The Nominating and Governance Committee chair will review the appropriateness of the director's continued service on the Board, consulting with the Chair, other Board members, and outside advisors, as appropriate. The Nominating and Governance Committee chair will recommend to the Board whether the director's continued service is in the best interest of Altera's stockholders or whether the director should be asked to resign. If asked to resign, it is the Board's expectation that the director will do so. In the event that the Nominating and Governance Committee Chair has a material change in his or her job responsibilities or outside affiliations, including consulting relationships and board memberships, he or she is expected to notify as soon as possible the Chairman of the Board and the Secretary to the Board. The Chairman of the Board will then review the appropriateness of the director's continued service on the Board, consulting with other Board members and outside advisors, as appropriate. The Chair will then recommend to the Board whether the Nominating and Governance Committee Chair's continued service is in the best interest of Altera's stockholders or whether the director should be asked to resign. If asked to resign, it is the Board's expectation that such director will do so.

OPERATION OF BOARD MEETINGS

The Chair, in consultation with the Board's Secretary, will prepare the agendas for Board meetings, taking into account input received from other directors. When the Chair is not an Independent Director, agendas will be approved by the Lead Independent Director. Certain items will be included on the Board's agenda according to the annual meeting calendar established by the Board in consultation with the Secretary. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed first in detail with that committee and then reported to the Board in summary by the chair of that committee. Any member of the Board may request that an item be included on the agenda.

Board agendas and minutes of the previous meeting are provided to Board members sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting.

At the invitation of the Board, members of management may attend Board meetings.

EXECUTIVE SESSIONS

The Independent Directors hold an executive session without management or non-independent directors present at each regularly scheduled Board meeting. The Lead Independent Director, or his or her designee, presides at each executive session.

COMMITTEES

The Board has standing Audit, Compensation, and Nominating and Governance Committees, each of which consists exclusively of Independent Directors. The Board may establish other committees as necessary. The Board shall elect members of each standing committee on an annual basis, or more frequently as necessary, and shall elect members of other committees for such periods of time as are appropriate to the committee's purpose. The Nominating and Governance Committee shall nominate members to each standing committee, including the chair of each Committee, for election by the Board.

The chair of each committee determines the frequency, length, and agenda of meetings for the applicable committee. Any director may request that an item be added to a committee's agenda. An agenda and minutes from the previous meeting are provided sufficiently in advance of the meeting to allow committee members to prepare for discussion at the meeting.

Each committee has its own charter that sets forth the purposes, duties, and responsibilities of the committee as well as qualifications for committee membership, and operations and committee reporting to the Board. Each committee will review its charter at least annually, and, if appropriate, an updated and/or revised charter will be recommended to the Board by the committee.

BOARD ADVISORS

The Board and each committee have the power to hire independent legal, financial or other advisors, as they deem necessary or appropriate, without consulting or obtaining the

approval of the Company's management. However, the chair of the Board or applicable committee will advise management when any such advisor has been retained and will inform management of the cost of any such services.

SUCCESSION PLANNING

The Nominating and Governance Committee is responsible for ensuring that the Board develops a succession plan for the CEO and that the CEO regularly reports to the Board on potential successors for other executive officers.

ASSESSING THE BOARD'S PERFORMANCE

The Nominating and Governance Committee is responsible for conducting an annual assessment of the Board, the Board committees, and individual directors. This evaluation process shall be discussed with the Board.

DIRECTOR EDUCATION

Directors are encouraged to attend educational programs on a regular basis regarding corporate governance, corporate compliance, and other issues relevant to board service

PERIODIC REVIEW OF THIS STATEMENT

The Board will review these Corporate Governance Guidelines at least annually.