

LATTICE SEMICONDUCTOR CORP  
Form DEF 14A  
April 07, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant  Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

LATTICE SEMICONDUCTOR CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

April 7, 2015

TO OUR STOCKHOLDERS:

You are cordially invited to attend the annual meeting of the stockholders of Lattice Semiconductor Corporation, which will be held on Thursday, May 7, 2015, at 1:30 p.m. Pacific Time, in the Conference Center on the ground floor of the US Bancorp Tower, 111 SW 5th Ave, Portland Oregon 97204.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the matters to be acted upon at the meeting. Included with the Proxy Statement is a copy of our 2014 Annual Report to Stockholders for the fiscal year ended January 3, 2015. We encourage you to read the 2014 Annual Report to Stockholders. It includes our audited financial statements and information about our operations, markets, and products.

It is important that your shares be represented and voted at the meeting whether or not you plan to attend. Therefore, we urge you to vote your shares as soon as possible. If you received a proxy card and other proxy materials by mail, you may vote online, by telephone, or by signing and dating the proxy card and returning it in the envelope provided. A copy of the Proxy Statement and our 2014 Annual Report to Stockholders is available online at [www.edocumentview.com/lsc](http://www.edocumentview.com/lsc). Voting by telephone or over the Internet or by returning the proxy card will ensure your representation at the meeting but does not deprive you of your right to attend the meeting and to vote your shares in person.

Sincerely,

Darin G. Billerbeck

President and Chief Executive Officer

Whether or not you plan to attend the meeting, please vote your shares as soon as possible. You can vote your shares by telephone, online or by signing and dating a proxy card and returning it to the address provided on the proxy card. If you receive more than one proxy card because you own shares that are registered differently, then please vote all of the shares shown on all of your proxy cards following instructions listed on each of the individual proxy cards. Thank you.

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111 SW 5th AVE, SUITE 700  
PORTLAND, OREGON 97204

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 7, 2015

TO OUR STOCKHOLDERS:

The annual meeting of stockholders of Lattice Semiconductor Corporation will be held in the Conference Center on the ground floor of the US Bancorp Tower, 111 SW 5th Ave, Portland Oregon 97204, on Thursday, May 7, 2015, at 1:30 p.m., Pacific Time, for the following purposes:

1. To elect eight directors, each for a term of one year;
2. To approve, as an advisory vote, the compensation of the Company's named executive officers;
3. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2016; and
4. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on March 13, 2015, are entitled to vote at the meeting or any adjournment thereof. More information about these business items is described in the accompanying proxy statement. Any of the above matters may be considered at the annual meeting at the date and time specified above or at an adjournment or postponement of such meeting.

All stockholders are invited to attend the meeting in person. Whether or not you plan to attend the meeting, to assure your representation at the meeting, please vote as soon as possible. You are being provided a proxy card and other proxy materials by mail, and you may vote in person at the annual meeting, or by mail, by telephone or online. For specific voting instructions, please refer to the information provided in the accompanying Proxy Statement, together with your proxy card. A copy of the Proxy Statement and our 2014 Annual Report to Stockholders accompanies this notice and is also available online at [www.edocumentview.com/lsc](http://www.edocumentview.com/lsc). Any stockholder of record entitled to vote at the meeting may vote in person at the meeting even if he or she has returned a proxy card or voted by telephone or online.

By Order of the Board of Directors  
Byron W. Milstead  
Secretary  
Portland, Oregon  
April 7, 2015

111 SW 5th AVE, SUITE 700  
PORTLAND, OREGON 97204

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS  
INFORMATION CONCERNING SOLICITATION AND VOTING

General

Our board of directors is soliciting proxies to be used at the 2015 annual meeting of stockholders to be held in the Conference Center on the ground floor of the US Bancorp Tower, 111 SW 5th Ave., Portland, Oregon 97204, on Thursday, May 7, 2015, at 1:30 p.m., Pacific Time, or at any adjournment thereof.

This Proxy Statement, our 2014 Annual Report to Stockholders and the proxy card are first being sent on or about April 7, 2015, to all stockholders entitled to vote at the meeting.

Purpose of Annual Meeting

The purpose of this annual meeting is:

1. To elect Darin G. Billerbeck, Robin A. Abrams, John Bourgoïn, Robert R. Herb, Mark E. Jensen, Balaji Krishnamurthy, D. Jeffrey Richardson and Frederick D. Weber as directors of the Company, each for a term of one year;
2. To approve, as an advisory vote, the compensation of the Company's named executive officers; and;
3. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2016.

The board of directors recommends that stockholders vote "FOR" the election of Darin G. Billerbeck, Robin A. Abrams, John Bourgoïn, Robert R. Herb, Mark E. Jensen, Balaji Krishnamurthy, D. Jeffrey Richardson and Frederick D. Weber as directors of the Company. The board of directors recommends that stockholders vote "FOR" the approval, on an advisory basis, of the compensation of the Company's named executive officers. The board of directors recommends that stockholders vote "FOR" the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2016.

Who Can Vote

Record holders of common stock at the close of business on March 13, 2015, may vote at the meeting. On March 13, 2015, there were 116,685,475 shares of common stock outstanding. Each stockholder has one vote for each share of common stock owned as of the record date. The common stock does not have cumulative voting rights.

How to Vote

Stockholders may vote their shares in person at the annual meeting, by mail, by telephone or online over the Internet. Stockholders who hold their shares through a bank, broker or other nominee should vote their shares in the manner prescribed by the bank, broker or other nominee.

**Voting in Person at the Meeting.** If you attend the annual meeting and plan to vote in person, we will provide you with a ballot at the annual meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote in person at the meeting. If your shares are held in the name of your broker or

other nominee, you are considered the beneficial owner of shares held in street name. As a beneficial owner, if you wish to vote at the annual meeting, you will need to bring to the meeting a legal proxy from your broker or other nominee authorizing you to vote those shares.

Voting by Mail. By signing the proxy card and returning it to the address provided on the proxy card, you are authorizing the individuals named on the proxy card to vote your shares at the annual meeting in the manner you indicate. We encourage you to sign and return the proxy card even if you plan to attend the meeting so that your shares will be voted if you are unable to attend the meeting. If you receive more than one proxy card, it is an indication that your shares are held in multiple accounts. Please sign and return all proxy cards that you receive in the mail to ensure that all of your shares are voted.

**Voting by Telephone.** To vote by telephone, please follow the instructions included on your proxy card that you received in the mail. If you vote by telephone, you do not need to complete and mail a proxy card.

**Voting over the Internet.** To vote over the Internet, please follow the instructions included on your proxy card that you received in the mail. If you vote over the Internet, you do not need to complete and mail a proxy card. The internet voting procedures are designed to comply with Delaware law, to authenticate the stockholder's identity and to allow stockholders to vote their shares and confirm that their voting instructions have been properly recorded.

If you deliver a proxy card by mail or vote by telephone or over the Internet, the proxy holders will vote your shares in accordance with the instructions that you provide. If you do not specify how to vote your shares, the proxy holders will vote them (i) "FOR" each of the nominees for director named herein, (ii) "FOR" approval of, as an advisory vote, the compensation for the Company's named executive officers, (iii) "FOR" ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2016, and (iv) in accordance with the recommendations of our board of directors, or, if no recommendation is given, in the discretion of the proxy holders, on any other business that may properly come before the meeting or any adjournment or adjournments thereof.

#### Revoking Your Proxy

You may revoke your proxy at any time before it is exercised by:

- sending a written notice of revocation to the Secretary of Lattice Semiconductor Corporation, at 111 SW 5th Ave, Suite 700, Portland, Oregon 97204 ;
- entering a new vote by telephone, over the Internet or by submitting a properly signed proxy with a later date; or
- voting in person at the meeting.

#### Vote Required for the Proposals

The votes required to approve the proposals to be considered at the annual meeting are as follows:

**Proposal 1—Election of Directors.** The eight nominees for the board of directors receiving the highest number of affirmative votes cast at the meeting, in person or by proxy, will be elected as directors. You may vote "FOR" the nominees for election as directors, or you may "WITHHOLD" your vote with respect to one or more nominees. For purposes of determining whether a quorum exists for the meeting, if you return a proxy card or vote by telephone or over the Internet and withhold your vote from the election of all directors, your shares will be counted as present.

If the election of directors at this annual meeting is uncontested and any director receives a greater number of "WITHHELD" votes than "FOR" votes, then pursuant to our Corporate Governance Policies, such director shall submit a letter of resignation for consideration by the nominating and governance committee. The nominating and governance committee shall recommend to the board of directors the action, including acceptance or rejection, to be taken with respect to such offer of resignation. Within 120 days of the stockholder meeting, the board of directors shall act with respect to such offer of resignation.

**Proposal 2—Advisory Vote to Approve Named Executive Officers Compensation.** Approval of the non-binding, advisory vote on the compensation of the Company's named executive officers requires the affirmative vote of a majority of the shares present at the annual meeting, in person or by proxy, and entitled to vote on the proposal at the meeting. The board of directors will consider the outcome of the vote when making future decisions regarding the compensation of the Company's named executive officers. You may vote "FOR," "AGAINST," or "ABSTAIN" on the proposal to approve the compensation of the Company's named executive officers.

Proposal 3—Ratification of Appointment of Independent Registered Public Accounting Firm. Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending January 2, 2016 requires the affirmative vote of a majority of the shares present at the annual meeting, in person or by proxy, and entitled to vote on the proposal at the meeting. If the appointment of KPMG LLP is not ratified, the audit committee will take the results of this vote under advisement in evaluating whether to retain KPMG LLP. You may vote “FOR,” “AGAINST,” or “ABSTAIN” from the proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2016.

Quorum; Abstentions; and Broker Non-votes

A majority of the shares of common stock issued and outstanding on March 13, 2015, the record date for the annual meeting, present in person at the meeting or represented at the meeting by proxy, will constitute a quorum. A quorum must be present in order to hold the annual meeting and to conduct business. Your shares are counted as being present if you vote in person at the meeting, by telephone, over the Internet, or by submitting a properly executed proxy card.

Abstentions are counted as shares present at the meeting for purposes of determining whether a quorum exists. Abstentions have no effect on Proposal 1, the election of directors. Because abstentions will be included in tabulations of the

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votes cast and shares entitled to vote for purposes of determining whether a proposal has been approved, abstentions have the same effect as negative votes on Proposal 2, the approval of the Company's named executive officer compensation, and on Proposal 3, the ratification of the appointment of our independent registered public accounting firm.

If your broker holds your shares in its name (also known as "street name"), the broker is not permitted to vote your shares if it does not receive voting instructions from you on any matters that are not "discretionary" matters. Shares that are not permitted to be voted by your broker are called "broker non-votes." Under the Delaware General Corporation Law, broker non-votes count as being present for purposes of determining whether a quorum of shares is present at a meeting but are not counted for purposes of determining the number of votes cast for or against a proposal. Broker non-votes will have no effect on Proposal 1, the election of directors, because directors are elected by a plurality of the votes cast. Broker non-votes also will have no effect on Proposal 2, the approval of the Company's named executive officers' compensation on an advisory basis, because broker non-votes will not be included in tabulations of votes cast and shares entitled to vote for purposes of determining whether a proposal has been approved. Broker non-votes will have no effect on Proposal 3, ratification of the appointment of our independent registered public accounting firm, because brokers or nominees have discretionary authority to vote on this proposal. We urge you to give voting instructions to your broker on all voting items.



## PROPOSAL 1: ELECTION OF DIRECTORS

Our board of directors is currently comprised of eight members. Due to director term limits, Patrick S. Jones will be retiring from the board of directors when his current term expires at the 2015 Annual Meeting of Stockholders. Pursuant to action by the nominating and governance committee of the board of directors, the Company will be nominating eight directors, named below, at the meeting, all to serve one-year terms ending in 2016, with Frederick D. Weber to fill the seat being vacated by Mr. Jones. We will vote your shares as you specify when providing your proxy. If you do not specify how you want your shares voted when you provide your proxy, we will vote your shares for the election of the eight nominees listed below. If unforeseen circumstances (such as death or disability) make it necessary for the board of directors to substitute another person for the nominee, we will vote your shares for that other person.

The following briefly describes each of the nominees for director. In addition, a description of the specific experience, qualifications, attributes and skills that led our board of directors to conclude that each of the nominees should serve as a director follows the biographical information of each nominee below. Except as otherwise noted, each nominee has served in his or her principal occupation for at least ten years. There are no arrangements or understandings between any director, or nominee and any other person pursuant to which the director or nominee is or was to be selected as a director. There are no family relationships among any of the nominees, our directors or executive officers. There are no material proceedings to which nominees, directors, executive officers or 5% stockholders are adverse to the Company. There have been no legal proceedings involving the nominees, directors or executive officers during the last ten years material to such person's integrity or ability to serve as an officer or director.

### Nominees

Darin G. Billerbeck, age 55, has served as the Company's President and Chief Executive Officer and as a director since November 2010. Prior to joining the Company, Mr. Billerbeck served as the Chief Executive Officer of Zilog, a microcontroller manufacturer, which was acquired by IXYS Corporation in February 2010. Prior to joining Zilog in January 2007, Mr. Billerbeck served 18 years in various executive and management positions at Intel Corporation, a global technology company, including as Vice President and General Manager of Intel's Flash Products Group from 1999 to 2007.

Mr. Billerbeck brings to the Company extensive experience in semiconductor management, business development, product development and research and development experience obtained at a diversity of semiconductor companies, including senior management responsibility at a leading Fortune 100 semiconductor company. Mr. Billerbeck also brings to the Company the experience obtained by his prior service as the chief executive officer of a publicly-listed company.

Robin A. Abrams, age 63, has served as a director of the Company since 2011. Ms. Abrams served as the Chief Executive Officer of Firefly Communications, Inc. from 2004 to 2006. In addition to leading several start-ups, Ms. Abrams also served as President and CEO of Palm Computing, Inc. Prior to Palm, she was President and CEO of VeriFone, a leading global debit/credit card authorization solutions provider. Ms. Abrams also held several key executive positions at Apple, including president of Apple Americas and managing director of Apple Asia. Previously, Ms. Abrams held senior product marketing positions at Norwest Bank (Wells Fargo) and Unisys. Ms. Abrams currently is a member of the boards of directors of FactSet Research, HCL Technologies Ltd., and Sierra Wireless, Inc. Ms. Abrams served on the board of directors of Unwired Planet, Inc. (formerly Openwave Systems Inc.) from 2008 until 2013.

Ms. Abrams brings to the Company extensive executive management experience obtained at Fortune 500 companies, including experience managing operations in both Asia and the United States and experience in high technology. Ms. Abrams contributes valuable governance experience based on service on a number of public company boards.

John Bourgoïn, age 69, has served as a director of the Company since 2011. Mr. Bourgoïn served as President and Chief Executive Officer of MIPS Technologies, Inc. from 1998 until his retirement in 2009. Previously, he had served as Senior Vice President of Silicon Graphics, Inc. from 1996 to 1998, where he established the intellectual property business model for MIPS and orchestrated the MIPS spin-out from Silicon Graphics. Mr. Bourgoïn also was employed at Advanced Micro Devices, Inc., where he held various senior positions, including Group Vice President of Microprocessor Products. He also has extensive experience in the programmable logic industry, having served as the Vice President of AMD's Programmable Logic Division. Mr. Bourgoïn is currently a member of the board of directors at Micrel, Inc.

Mr. Bourgoïn brings to the Company extensive experience in semiconductor and related high technology management, including programmable logic. Mr. Bourgoïn has experience in executive management, strategic business development, operations management and other management disciplines derived during his service as a senior executive and chief executive officer.

Robert R. Herb, age 53, has served as a director of the Company since August 2013. Mr. Herb currently serves as a Partner with Scale Venture Partners, a venture firm focused on investments in information technology companies. He has held this position since 2005. Prior to joining Scale Venture Partners, Mr. Herb served as Advanced Micro Devices, Inc.'s

(AMD) Chief Marketing Officer from April 1998 to December 2004 as well as Executive Vice President in AMD's Office of the CEO from March 2000 to December 2004. Mr. Herb served on the board of directors of MIPS Technologies, Inc. from 2005 to 2013. Mr. Herb has served on the board of directors of Micrel, Inc. since 2014. Mr. Herb currently serves on the board of directors of several private firms.

Mr. Herb brings to the Company extensive sales and marketing experience in consumer and related markets. Mr. Herb has experience in executive management, strategic development, mergers and acquisitions, and various management disciplines arising from his prior service as a public company executive and service on a public company board of directors.

Mark E. Jensen, age 64, has served as a director of the Company since June 2013. Mr. Jensen served as an executive of Deloitte & Touche LLP until his retirement in June 2012. He held a variety of positions, including U.S. Managing Partner-Audit and Enterprise Risk Services, Technology Industry and U.S. Managing Partner-Venture Capital Services Group. Prior to joining Deloitte & Touche LLP, Mr. Jensen was the Chief Financial Officer of Redleaf Group. Earlier in his career, Mr. Jensen was an executive at Arthur Andersen LLP, which he joined in 1978, was admitted to the partnership in 1991, and served as the Managing Partner of the firm's Silicon Valley Office and leader of the firm's Global Technology Industry Practice. Mr. Jensen currently serves on the boards of directors of Unwired Planet, Inc. and a private firm.

Mr. Jensen brings business experience in a number of high-tech industry segments and substantial financial expertise. Mr. Jensen has experience in executive management derived from his service as an executive officer, as the managing partner of a significant practice of a major accounting firm and service as a member of a public company board of directors.

Balaji Krishnamurthy, age 61, has served as a director since 2005. Mr. Krishnamurthy is the Chairman of the board of directors of Think Shift, an advertising and consulting firm that consults with corporations and their boards regarding leadership, corporate culture, brand, governance and strategy. From 1999 until 2005, he served as President, Chief Executive Officer and a director of Planar Systems Inc., a provider of flat panel display solutions for the medical, commercial, industrial and retail markets. From 2003 until 2005, he served as the Chairman of Planar's board of directors. Mr. Krishnamurthy held various management, engineering and marketing positions at Tektronix Inc., an electronics manufacturer, from 1984 until 1999. Mr. Krishnamurthy currently serves on the boards of directors of Think Shift since 2014 and CHSI Technologies since 2013.

Mr. Krishnamurthy brings to the Company extensive experience managing engineering, marketing and operations in a high technology environment. He is a recognized leader in the field of executive compensation. Mr. Krishnamurthy also brings to the Company the experience obtained by his prior service as the chief executive officer of a publicly-listed company.

D. Jeffrey Richardson, age 50, has served as a director since December 2014. Mr. Richardson joined LSI Corporation in 2005 and most recently served as Executive Vice President and Chief Operating Officer until the company's acquisition by Avago Technologies in May 2014. He earlier served as executive vice president of various LSI divisions, including the Semiconductor Solutions Group, Networking and Storage Products Group, Custom Solutions Group and Corporate Planning and Strategy. Before joining LSI, Mr. Richardson held various management positions at Intel Corporation, including Vice President and General Manager of Intel's Server Platforms Group, and the company's Enterprise Platforms and Services Division. Mr. Richardson's career also includes serving in technical roles at Altera Corporation; Chips and Technologies; and Amdahl Corporation.

Mr. Richardson presently serves as a Director of Ambarella Corporation. From 2011 until 2013, Mr. Richardson served on the board of directors of Volterra Corporation.

Mr. Richardson brings extensive management experience in the high technology company environment, including operations, marketing, engineering and strategic transactions.

Frederick D. Weber, age 51, is nominated to serve as a director of the Company. Mr. Weber has been an independent business consultant since his retirement in 2009. Mr. Weber was Founder and CEO of MetaRAM, a private semiconductor company engaged in the design, development and manufacturing technologies to improve memory performance, from 2006 to 2009. Prior to that, he held various executive positions at Advanced Micro Devices, Inc., the last of which was Corporate Vice President and Chief Technology Officer. During his tenure at Advanced Micro Devices, Inc., Mr. Weber pioneered the Athlon and Opteron processors. Mr. Weber began his career at Encore Computer Corporation. Mr. Weber currently serves on the board of directors of MIPS Technologies, Inc. and two private firms.

Mr. Weber will bring to the Company extensive high technology engineering leadership experience, together with operations management experience and broad experience in the development of microprocessors for the computing and consumer markets.

#### Required Vote

The nominees receiving the highest number of affirmative votes cast at the meeting, in person or by proxy, shall be elected as directors.

If the election of directors at this annual meeting is uncontested and any director receives a greater number of “WITHHOLD” votes than “FOR” votes, then pursuant to our Corporate Governance Policies, such director shall submit a letter of resignation for consideration by the nominating and governance committee. The nominating and governance committee shall recommend to the board of directors the action, including acceptance or rejection, to be taken with respect to such offer of resignation. Within 120 days of the stockholder meeting, the board of directors shall act with respect to such offer of resignation.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE “FOR” THE ELECTION OF DARIN G. BILLERBECK, ROBIN A. ABRAMS, JOHN BOURGOIN, ROBERT R. HERB, MARK E. JENSEN, BALAJI KRISHNAMURTHY, D. JEFFREY RICHARDSON AND FREDERICK D. WEBER AS DIRECTORS OF THE COMPANY.

#### CORPORATE GOVERNANCE AND OTHER MATTERS

##### Director Independence

The board of directors has determined that each of our directors and nominee for director, except Mr. Billerbeck, is independent within the meaning of the applicable rules and regulations of the SEC and the director independence standards of the NASDAQ Stock Market, LLC. (“NASDAQ”), as currently in effect. Furthermore, the board of directors has determined that each of the members of each of the committees of the board of directors is “independent” under the applicable rules and regulations of the SEC and the director independence standards of NASDAQ, as currently in effect.

##### Annual Meeting Attendance

Although we do not have a formal policy regarding attendance by members of the board of directors at our annual meetings of stockholders, directors are encouraged to attend. All directors attended the last annual meeting of stockholders.

##### Board Meetings and Committees

In fiscal 2014, the board of directors held a total of 12 meetings. The independent directors meet regularly without the presence of management. Mr. Patrick S. Jones, in his capacity as Chairman of the Board of Directors, led meetings of independent directors in fiscal 2014. Mr. Jones will complete his tenth year of service on our board of directors at the 2015 annual meeting of stockholders and is ineligible to serve an additional term due to the term limit imposed under the Company's Corporate Governance Policies. Each of our current directors attended or participated in at least 90% of the total number of meetings of the board of directors and 100% of the total number of meetings held by all committees of the board of directors on which such director served.

Our board of directors currently has three standing committees: the audit committee, the compensation committee, and the nominating and governance committee. Each of these committees operates under a written charter adopted by the board of directors. Copies of each of the committee charters are available on our website at the following address: <http://ir.latticesemi.com/phoenix.zhtml?c=117422&p=irol-govHighlights>.

The board has elected to maintain a leadership structure with an independent director serving as the chairman. Although we recognize that different board leadership structures may be appropriate for companies in different situations and believe that no one structure is suitable for all companies, we believe our current board leadership structure is optimal for the Company as it provides for strong independent exercise of the board's oversight responsibilities.

#### Audit Committee

The Company has a separately designated standing audit committee. The audit committee oversees the accounting and financial reporting process and the external audit process of the Company and assists the board of directors in the oversight and monitoring of (i) the integrity of the financial statements of the Company, (ii) the internal accounting and financial controls of the Company, (iii) compliance with legal and regulatory requirements, and (iv) the qualifications, performance, and independence of the Company's independent registered public accounting firm. In this capacity, the audit committee is responsible for appointing, approving the compensation of, and overseeing the work of the independent registered public accounting firm. In addition, the audit committee reviews and approves all work performed by the independent registered public accounting firm. The audit committee meets regularly with management and with our independent registered public accounting firm, which has access to the audit committee without the presence of management representatives.

During fiscal 2014, the audit committee was composed of Mr. Jones (chairman of the committee), Ms. Abrams, Mr. Jensen, Mr. Gerhard H. Parker (until May 2014) and Mr. Richardson (starting December 2014). The audit committee met eight times in fiscal 2014. Our board of directors has determined that the audit committee members meet the financial literacy requirements under applicable NASDAQ rules and that Mr. Jones qualifies as an audit committee financial expert under applicable SEC rules.

It is management's responsibility to manage risk on a daily basis and bring to the board of directors' attention the most material risks to the Company. Although the board of directors has overall responsibility for oversight of risk management with a focus on the most significant risks facing the Company, the board has delegated to the audit committee responsibility for establishment with the Company's management of a process by which the material risks facing the Company are identified. Each quarter, the committee receives a risk update from management, comprised of a list of major risks faced by the Company and the status of actions taken to mitigate those risks. Throughout the year, the board and the audit committee dedicate a portion of their meetings to review and discuss specific risk topics in greater detail. The audit committee also routinely meets with various Company compliance personnel to obtain a periodic assessment of compliance issues facing the Company.

#### Compensation Committee

The compensation committee evaluates and, subject to obtaining the agreement of all the independent directors, approves our chief executive officer's compensation, approves the compensation of our other executive officers, and reviews succession planning for the chief executive officer position. The committee also administers our equity plans and handles other compensation issues. During fiscal 2014, the compensation committee was composed of Mr. Bourgoin (chairman of the committee), Mr. Krishnamurthy, Mr. Hans Schwarz (until May 2014) and Mr. Herb. The compensation committee met five times in fiscal 2014.

The compensation committee, comprised of directors who satisfy the applicable independence requirements of NASDAQ, the SEC, and the Internal Revenue Code, reviews, approves, and administers our executive compensation program. As set forth in the committee charter, the role of the compensation committee is to act for the board of directors to oversee the compensation of our chief executive officer and other executive officers, and to oversee the executive officer compensation plans, policies, and programs of the Company. The committee also oversees our employee equity incentive plans, and reviews and approves equity grants to our employees.

The compensation committee annually evaluates and, subject to obtaining the agreement of all the independent directors, approves the chief executive officer's compensation, including (i) the annual base salary, (ii) the annual cash-based variable compensation program, including the specific goals and target award amounts, (iii) equity compensation, (iv) any employment agreement, severance arrangement, or change in control agreement/provision, and (v) any other benefits, compensation, or arrangements. The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of the chief executive officer, evaluates his performance in light thereof, and considers other factors related to the performance of the Company, including accomplishment of the Company's long-term business and financial goals.

The compensation committee also annually evaluates and approves for the other executive officers of the Company (i) the annual base salary, (ii) the annual cash-based variable compensation program, including the target award amounts, (iii) equity compensation, (iv) any employment agreement, severance arrangement, or change in control agreement/provision, and (v) any other benefits, compensation, or arrangements. The compensation committee consults with the chief executive officer regarding the specific goals established for the other executive officers in connection with the annual cash-based variable compensation program.

The compensation committee also reviews compensation and benefits plans affecting employees in addition to those applicable to executive officers. We have determined that it is not reasonably likely that compensation policies and practices for our employees would have a material adverse effect on the Company. The full board considers strategic risks and opportunities and regularly receives detailed reports from the committees regarding risk oversight in their areas of responsibility.

The compensation committee has the authority to retain its own compensation consultants and outside legal, accounting, and other advisers at the Company's expense. Such consultants and advisers report directly to the compensation committee and the committee has the authority to approve the fees payable to such advisers by the Company and other terms of retention. The compensation committee does not delegate its authority to such consultants or advisers. In fiscal 2014, the compensation committee engaged the services of Mercer, a compensation consulting firm, and has considered such firm's input in evaluating compensation trends and best practices, identifying peer group companies and benchmarking compensation data, and other aspects of administering the Company's executive compensation program and equity compensation programs. Mercer serves at the discretion of the compensation committee. The work performed for the Company by Mercer has not raised any conflict of interest.

Nominating and Governance Committee

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The nominating and governance committee identifies qualified persons to become directors; recommends candidates for all vacant directorships to be filled by the board of directors or by the stockholders; reviews and evaluates the performance of the board of directors and each committee of the board of directors; makes recommendations to the board of directors for nominees to the committees of the board of directors; and oversees compliance with our corporate governance policies. During fiscal 2014, the nominating and governance committee was composed of Mr. Parker (chairman of the committee, until May 2014), Ms. Abrams (chair of the committee starting May 2014), Mr. Herb (starting in May 2014) and Mr. Jones. The nominating and governance committee met four times in fiscal 2014.

The nominating and governance committee believes that each of the Company's directors should have certain minimum personal qualifications, including the following:

- professional competence, expertise, and diversity of background that is useful to the Company;
- the desire and ability to serve as a director, and to devote the time and energy required to fulfill the responsibilities of the position successfully;
- character, judgment, experience, and temperament appropriate for a director; and
- independence, together with personal and professional honesty and integrity of the highest order.

The committee evaluates candidates for nomination on the basis of their individual qualifications, and also on the basis of how such individuals would provide valuable perspective or fill a need on the board of directors. Factors in such determination include:

- the current size and composition of the board of directors;
- the independence of the board of directors and its committees;
- the presence on the board of directors of individuals with expertise in areas useful to the Company;
- the diversity of individuals on the board of directors, including their personal characteristics, experiences, and backgrounds;
- the number of other boards on which the candidate serves; and
- such other factors as the committee or the board of directors consider significant.

The committee believes that it is necessary for each of the Company's directors to possess many qualities and skills. The committee typically seeks individuals with extensive experience and who bring a broad range of competencies to the role. When searching for new candidates, the committee considers the evolving needs of both the Company and the board and searches for candidates that fill any current or anticipated future gap. The committee also focuses on issues of diversity, such as diversity of education, professional experience, and differences in viewpoints and skills. The committee does not have a formal policy with respect to diversity; however, the board and the committee believe that it is essential that the Board members represent diverse viewpoints. In considering candidates for the board, the committee considers the entirety of each candidate's credentials in the context of these standards. With respect to the nomination of continuing directors for re-election, an individual's contributions to the Board are also considered.

The nominating and governance committee will consider candidates for our board of directors who have been suggested by its members, other members of the board of directors, our senior management, individuals personally known to members of our board, and our stockholders. From time to time, the committee may solicit proposals for candidates from interested constituencies, or may use paid third-party search firms to identify candidates.

Under the terms of its charter, the committee is obligated to consider in good faith any candidate recommended by one or more of our ten largest unaffiliated stockholders of record, provided that, in the committee's judgment, the candidate satisfies the criteria for board service set forth in the committee's charter. The committee evaluates candidates in the same manner regardless of how such candidates are brought to the attention of the committee.

Stockholders who wish to submit names of candidates for our board of directors for consideration by the nominating and governance committee should do so in writing, addressed to the nominating and governance committee, c/o Secretary, Lattice Semiconductor Corporation, 111 SW 5th Ave., Suite 700, Portland, Oregon 97204, and should include the following information:

- a statement that the writer is a stockholder and is proposing a candidate for consideration by the committee (if the stockholder believes that they are one of our ten largest unaffiliated stockholders, then the stockholder should include language to this effect in their statement);
- the name and contact information for the candidate;
- a statement of the candidate's occupation and background, including education and business experience;
- information regarding each of the factors listed above, sufficient to enable the committee to evaluate the candidate;
- a statement detailing (i) any relationship or understanding between the candidate and the Company, or any customer, supplier, competitor, or affiliate of the Company; and (ii) any relationship or understanding between the candidate and the stockholder proposing the candidate for consideration, or any affiliate of such stockholder; and;

a statement that the candidate is willing to be considered for nomination by the committee and willing to serve as a director if nominated and elected.

Additional information may be requested by the committee as appropriate.

In addition, our bylaws permit stockholders to nominate individuals to stand for election to our board of directors at an annual stockholders' meeting. Stockholders wishing to submit nominations must notify us of their intent to do so on or before the date specified under "Stockholder Proposals—Other Stockholder Proposals and Director Nominations." Such notice must include the information specified in our bylaws, a copy of which is available from our corporate secretary upon written request.

During 2014, our nominating and governance committee conducted a search for an additional board nominee based on the need to identify an additional director candidate arising from Mr. Jones' ineligibility to serve another term after the 2015 annual meeting of stockholders. The committee conducted interviews of candidates who possessed expertise in areas deemed useful to the Company. Based on this search, the Committee recommended to the board of directors the nomination of Mr. Weber. Mr. Weber completed interviews with all members of the board of directors and the determination to nominate Mr. Weber received the unanimous approval of the directors.

#### Stockholder Communications with the Board of Directors

Stockholders may communicate with the board of directors by writing to us c/o Secretary, Lattice Semiconductor Corporation, 111 SW 5th Ave., Suite 700, Portland, Oregon 97204. Stockholders who would like their submission directed to a member of the board of directors may so specify, and the communication will be forwarded, as appropriate.

## Audit Committee Report

The responsibilities of the audit committee are fully described in the audit committee charter. Management is responsible for maintaining our financial controls and preparing our financial reports. Our independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements and our internal control over financial reporting in accordance with generally accepted auditing standards and for issuing audit reports. The audit committee's responsibility is to execute the audit committee charter and oversee these processes. In fulfilling its responsibilities, the audit committee has reviewed and discussed the audited financial statements contained in our Annual Report on Form 10-K for the year ended January 3, 2015 with management and our independent registered public accounting firm.

The audit committee discussed with our independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, adopted by the Public Company Accounting Oversight Board. In addition, the audit committee has received the written disclosures and the letter from our independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with our independent registered public accounting firm the independent accountant's independence from Lattice and our management.

Based upon the audit committee's discussions with management and our independent registered public accounting firm and the audit committee's review of the representations of management, the report of our independent registered public accounting firm, and the information referenced above, the audit committee recommended that the board of directors include the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended January 3, 2015, for filing with the SEC.

## Audit Committee

Patrick S. Jones, Chairman  
Robin A. Abrams  
Mark E. Jensen  
D. Jeffrey Richardson

## PROPOSAL 2: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

We are asking stockholders to approve an advisory resolution on the Company's named executive officer compensation as disclosed in this proxy statement. As described below in the "Executive Compensation—Compensation Discussion and Analysis" section of this proxy statement, the compensation committee has structured our executive compensation program to attract, motivate and retain highly qualified employees, to align our executives' interests with those of our stockholders and to provide our executives with certain additional compensation when superior financial results are achieved. The compensation committee and the board of directors believe that the compensation policies and procedures articulated in the "Compensation Discussion and Analysis" section of this proxy statement are effective in achieving our goals.

We urge stockholders to read the "Executive Compensation" section of this proxy statement beginning on page 21 of this proxy statement, including the "Compensation Discussion and Analysis" that discusses our named executive compensation for fiscal 2014 in more detail, as well as the "Summary Compensation Table" and other related compensation tables, notes and narrative, appearing on pages 21 through 33 of this proxy statement, which provide detailed information on the compensation of our named executive officers.

In accordance with recently adopted Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking stockholders to approve the following resolution at the 2015 annual meeting of stockholders:

RESOLVED, that the stockholders of Lattice Semiconductor Corporation (the "Company") approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement for the Company's 2015 annual meeting of stockholders.

Although this proposal, commonly referred to as a "say-on-pay" vote, is an advisory vote that will not be binding on the board of directors or the compensation committee, the board of directors and the compensation committee will consider the results of this advisory vote when making future decisions regarding our named executive officer compensation programs. Stockholders have an opportunity to cast such an advisory vote annually, therefore, your next opportunity to do so will be at the 2016 annual meeting of stockholders.

**THE BOARD OF DIRECTORS RECOMMENDS THAT  
THE STOCKHOLDERS VOTE "FOR" THE APPROVAL, ON AN ADVISORY BASIS,  
OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Compensation Philosophy

We believe that executive compensation arrangements and practices should be clear and unambiguous, and should be fully approved by the compensation committee and disclosed to stockholders. We endeavor to attract, motivate and retain highly qualified employees, to align our executives' interests with those of our stockholders, and to provide our executives with certain additional compensation when superior financial results are achieved.

We believe our senior management has the highest potential to impact our business results, and thus, variable, performance-based cash compensation should constitute a higher percentage of our executives' overall potential cash

compensation. We also believe that senior management performance should be measured primarily by business results that are linked to stockholder interests.

We strive to maintain an egalitarian culture in which the compensation programs offered to all employees are aligned to ensure consistent effort to achieve financial and operational goals, and thus, to increase stockholder value. We believe that senior management should be held to the same standards as other employees. Therefore, we offer only limited enhanced benefits to senior management, and only with a direct business purpose.

We believe that cash-based variable compensation of executive officers should be directly linked to our short-term or annual performance, while longer-term incentives, such as equity compensation, should be aligned with the objective of enhancing stockholder value over the long term. We believe the use of equity compensation strongly links the interests of Company management to the interests of our stockholders.

In addition, we believe that our total compensation packages must be competitive with other companies in our industry to ensure that we can continue to attract, retain, and motivate the senior executives who we believe are critical to our long-term success. We believe that we can accomplish our executive compensation goals while maintaining appropriate levels of internal

pay equity, both between the chief executive officer and other executives, and between executives and other non-executive employees.

#### Comparisons to Market Data

As part of its process for reviewing and approving executive compensation during fiscal 2014