

**CHARTER OF THE  
COMPENSATION COMMITTEE OF THE  
BOARD OF DIRECTORS OF  
SILICON IMAGE INC.**

As amended effective December 10, 2007

**I. PURPOSE AND AUTHORITY:**

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Silicon Image, 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, to oversee the Company’s equity-based compensation plans, and to oversee the preparation of disclosures regarding executive and director compensation for inclusion in the Company’s proxy statement. This charter (the “**Charter**”) sets forth the authority and responsibility of the Committee for approving and evaluating executive officer compensation arrangements, plans, policies and programs of the Company, and for overseeing the Company’s equity-based compensation plans for employees, whether adopted prior to or after the date of adoption of the Charter.

This Charter should be interpreted in the context of all applicable laws and regulations and the Company’s organizational documents. In the event of any conflict between this Charter and such laws, regulations or documents, such laws, regulations or documents shall control.

**II. MEMBERSHIP:**

The Committee will consist of not less than three members of the Board, 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 may otherwise be permitted by such Rules;
- (ii) be a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”);
- (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 applicable exemptions and transition provisions.

All members of the Committee will be appointed by the Board by a majority vote of a quorum of the Board after consideration of the recommendations of the Governance and Nominating Committee, and shall serve at the discretion of the Board. Committee members will serve during their respective term as a director, subject to earlier resignation or removal by a majority vote of a quorum of the Board. Unless a Chairperson is elected by the Board, the members of the Committee may designate a Chairperson by majority vote of the Committee membership.

### III. DUTIES AND RESPONSIBILITIES:

The principal processes of the Committee in carrying out its oversight responsibilities are set forth below. These processes 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. The Committee may from time to time, as it deems appropriate and consistent with applicable laws and regulations and the Company's organizational documents, form and delegate authority to subcommittees.

1. The Committee will have the authority to review and determine the Company's overall compensation strategy, with the goals of providing appropriate incentives and rewards for Company employees, supporting the Company's business objectives and promoting stockholder interests. The Committee will have the authority to approve the form and amount of plan and non-plan compensation to be paid or awarded to all employees of the Company, including any incentive plans for members of the Company's sales team. The Committee may delegate authority to subcommittees of the Committee or to the Company's "executive officers" and "officers" (as defined under Rule 3b-7 and Rule 16a-1(f) under the Exchange Act, "**Executive Officers**") with respect to compensation determinations for persons who are not executive officers of the Company.

2. The Committee shall have direct access to Company personnel and documents, and shall have authority to conduct any investigation into any matters appropriate to fulfilling its responsibilities. 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 compensation consultants, 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 such advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors employed by the Committee pursuant to this Charter and ordinary administrative expenses of the Committee that are appropriate in carrying out its functions pursuant to this Charter.

3. The Committee will annually review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("**CEO**") and evaluate the CEO's performance in light of these goals and objectives. Based on this evaluation, including an evaluation of the Company's performance, the Committee will make and annually review decisions respecting (i) salary paid to the CEO, (ii) the grant of all cash-based bonuses and equity-based compensation to the CEO, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the CEO, (iv) any CEO severance or change in control arrangement, and (v) any other CEO compensation matters as from time to time directed by the Board.

4. The Committee will annually review and approve the corporate goals and objectives relevant to compensation of the Executive Officers and evaluate the Executive Officers' performance in light of these goals and objectives. Based on this evaluation, including an evaluation of the Company's performance, the Committee will make and annually review decisions respecting (i) salary paid to the Executive Officers, (ii) the grant of cash-based bonuses and equity-based compensation provided to the Executive Officers, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the Executive Officers, (iv) Executive Officers' severance or change in control arrangements, and (v) any other Executive Officer compensation matters as from time to time directed by the Board. For each of the foregoing items, the Committee may also take into account the recommendations of the CEO with respect to other Executive Officers.

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 periodically 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 administer the Company's cash-based and equity-based incentive compensation plans and arrangements, and in that capacity the Committee will: (i) advise on general guidelines and parameters for cash-based and equity-based incentive awards, including as to the form and amount of such awards, class of recipients of such awards and timing of grant of such awards; (ii) approve the grant of specific cash-based and equity-based incentive awards (including equity-based grants to Executive Officers in compliance with Rule 16b-3 under the Exchange Act), subject to any authority of the Board or delegated to Company management to also approve such grants; (iii) interpret cash-based and equity-based incentive compensation plans and arrangements and any agreements thereunder; (iv) recommend to the Board the adoption, amendment or termination of cash-based and equity-based incentive compensation plans and arrangements as necessary or appropriate in order to implement the Company's overall compensation strategy, subject to stockholder approval where required; and (v) modify individual awards and approve exceptions under cash-based and equity-based incentive compensation plans and arrangements in appropriate circumstances. The Committee may delegate to the CEO the authority to grant cash-based or equity-based incentive awards to employees of the Company or of any subsidiary of the Company who are not directors of the Company or Executive Officers, provided that no such grant exceeds any limit established by resolution of the Board or the Committee.

8. The Committee will meet with the CEO within ninety (90) days of the commencement of each fiscal year to discuss the incentive compensation programs to be in effect for the Company's Executive Officers and other employees for such fiscal year and the corporate goals and objectives and individual performance targets relevant to those programs.

9. 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.

10. The Committee will, so long as the Company is subject to the periodic reporting requirements of the Exchange Act, oversee the preparation of disclosures regarding compensation of directors and Executive Officers (e.g., compensation discussion and analysis, compensation committee report) for inclusion in the 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 will (working with the Governance and Nominating Committee as appropriate) consider and make recommendations to the Board regarding the form and amount of compensation for non-employee directors (including compensation for service on the Board or committees of the Board).

12. The Committee will administer and, if deemed necessary, amend the Company's 401(k) plan and any deferred compensation plans (collectively, the "**Designated Plans**"), and, if desired, delegate the routine administration of the Designated Plans to an administrative committee consisting of employees of the Company named by the Committee.

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

14. The Committee will perform any other activities required by applicable laws 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 may perform other activities that are consistent with this Charter, the Company's organizational documents, and applicable laws or regulations as the Committee or the Board deems necessary or appropriate.

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

Meetings of the Committee will be held from time to time, but at least two times per year, in response to the needs of the Board or as otherwise determined by the Chairperson of the Committee. Meetings will be presided over by the Chairperson of the Committee, with the agenda for each meeting to be determined by the Chairperson 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. Subject to the applicable provisions of the Company's bylaws and the authority of the Board, the Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings.

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

The Committee will maintain written minutes of its meetings and copies of its actions by unanimous written consent, and will cause such minutes and copies of written consents to be filed with the minutes of the meetings of the Board.