

Cymer, Inc.

Board of Director Policies As of May 19, 2011

The authorized number of Directors of Cymer and the manner of their election shall be as set forth in the Bylaws of Cymer as amended from time to time (the "Bylaws"). Directors shall be over the age of eighteen (18) and shall have such other qualifications as set forth in the Bylaws or as established from time to time by the Nominating and Corporate Governance Committee of the Cymer Board of Directors.

The current Cymer Board of Directors (and the date first elected):

Bob Akins, Chairman (1/86)
Mike Gaulke (8/00)
Pete Simone (7/93)

Jay Abbe (1/03)
Bill Oldham (1/01)
Young Sohn (3/03)

Ed Braun (3/03)
Eric Ruttenberg (10/09)
Jon Tompkins (5/99)

Additional Board Membership Policies:

Limitation on Number of Boards a Director May Serve (revised in November 2010)

Cymer Directors are limited as to their involvement in other boards of directors as follows:

- Directors who are active Chief Executive Officers may serve on the boards of directors of no more than three (3) public companies including Cymer
- All other Directors may serve on the boards of directors of no more than four (4) public companies including Cymer
- Waivers of this policy must be approved by two-thirds of the directors (other than the director seeking the waiver) and are subject to annual review and re-approval by two-thirds of the directors then in office (other than the director seeking the waiver)

Continuing Education Policy (revised in November 2007)

- Directors are expected to attend at least one continuing education program every three years and to report on such program to the Board following attendance
- Cymer will reimburse the costs of attending such programs subject to the following limitations: (i) Directors are expected to share the cost of attendance at such programs with the other public companies on whose boards they serve, (ii) the Company will reimburse its proportionate share of the Directors' reasonable out-of-pocket travel expenses in attending such programs; and (iii) the Company will pay up to \$7,500 for tuition fees for each such program and any amount over \$7,500 if such payment is authorized by the Nominating and Corporate Governance Committee.

Minimum Stock Ownership Policy (revised in November 2008)

- Each director is to hold not less than two thousand five hundred (2,500) shares of Cymer common stock within one year of becoming a member of the board.

Rotating Executive Session Chair (revised in May 2008)

Independent Directors who have served on Cymer's Board for at least one year (other than active CEOs and the Audit Committee chair) will serve as chair of the executive sessions at Board meetings for two (2) year terms on a rotating basis. The role of the Rotating Executive Session Chair is to:

- Review and approve the Board meeting agenda
- Set the agenda for the executive session after consultation with the other independent Directors
- Preside over the executive session
- Convey any messages from the executive session to the CEO
- Be available to discuss with the other Directors any concerns they may have about the Company and its performance and relay these concerns, where appropriate, to the full Board
- Be available to consult with the CEO regarding the concerns of the Directors
- Be available to be consulted by any of the senior executives of the Company as to any concerns the executive might have.

Rotating Executive Session Chairs:

- 2004 Jon Tompkins
- 2005/2006 Jay Abbe
- 2007/2008 Pete Simone
- 2009/2010 Ed Braun
- 2011/2012 Mike Gaulke
- xxx Bill Oldham
- xxx Eric Ruttenberg
- N/E Young Sohn (Active CEO)

Board Committee Policies

Only independent Directors may serve on the Audit, Compensation and Nominating and Corporate Governance Committees. The Nominating and Corporate Governance Committee has established the following policies for the Board Committees:

- Committee chairs are selected by the Nominating and Corporate Governance Committee
- To be eligible to serve as a Committee chair, the individual must have served on the Cymer Board for a minimum of one (1) year
- Committee chairs (other than the Scientific Advisory Board Committee) will be rotated at least every five (5) years (adopted in August 2003)

Current Committees:

Audit Committee

Jay Abbe, Chair (1/08)

Mike Gaulke

Pete Simone

Nominating and Corporate Governance Committee

Mike Gaulke

Pete Simone

Young Sohn

Jon Tompkins, Chair (1/07)

Compensation Committee

Ed Braun, Chair (5/09)

Bill Oldham

Eric Ruttenberg

Jon Tompkins

Scientific Advisory Board Committee

Bill Oldham, Chair (11/02)

Independent Director Compensation Policy (revised in May 2011)

1. Face-to-face meetings, at Cymer or other locations:
 - a. Board meeting: \$2,500 each
 - b. Committee meeting: \$1,000 each
 - c. Committee chair: \$2,000 each (Audit Committee chair receives \$3,000)
2. Telephone meetings of approximately 1 hour in duration:
 - a. Board meeting: \$2,500 each
 - b. Committee meeting: \$1,000 each
 - c. Committee chair: \$2,000 each
3. Annual Board retainer:
 - a. Independent Directors: \$40,000 (\$10,000 paid each quarter)*
 - b. Rotating Executive Session Chair: \$10,000 (\$2,500 paid each quarter)

* Effective July 1, 2011
4. Quarterly Audit Committee retainer:
 - a. Each member (including the chair) receives a quarterly retainer of \$1,000
5. Stock Awards:
 - a. New independent Director: \$200,000 value of Restricted Stock Units with a 4 year annual vesting period
 - b. Continuing independent Director: \$100,000 value of Restricted Stock Units per year (1 year vest) – after 1 year of service as a board member

Note: If a non-committee member is requested to attend a committee meeting, they are entitled to the \$1,000 fee per meeting.

Scientific Advisory Committee Member Compensation Structure (not applicable for employees or directors who are SAB members) (revised in February 2009)

- Upon appointment to SAB – 5,000 Cymer stock options which vest immediately
- Following the initial year – Restricted Stock Units covering 170 shares granted each quarter and vesting in full after one year
- \$1,000 fee paid for each meeting attendance as well as reimbursement of reasonable travel expenses to attend the meeting

Retiring Directors Program (adopted in December 2002)

Directors who retire in good standing are eligible for designation by the Nominating and Corporate Governance Committee as a Director Emeritus and as such will hold himself or herself available to the senior management of the Company and the Board for consultation about matters related to the Company from time to time but will not exercise the powers and will not have the authority of a Director, and in particular will have no voting rights with respect to matters that are presented to the Directors of the Company for approval.

The term of service as a Director Emeritus will be determined by the retiring Director's length of service to the Company as a Director as described below:

If the retiring Director has been a Director of the Company for at least:

- Five (5) years but less than eight (8) years,
- Eight (8) years but less than ten (10) years,
- Ten (10) years,

The term of his or her appointment as a Director Emeritus shall be:

- one (1) year.
- two (2) years.
- three (3) years.

In addition, service as a Director Emeritus constitutes service for the purposes of continued vesting of stock options or other equity awards previously granted to such Director and tolling any provisions regarding termination of continuous service as Director, thereby allowing previously granted stock options and equity awards to continue to vest and be exercisable following the change to Director Emeritus status, but in no event shall service as a Director Emeritus (i) extend the original term of any stock option or (ii) be the basis for the grant of additional options under any stock option plan of the Company.