

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 12, 2019

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

OREGON
(State or other jurisdiction of
incorporation)

000-30269
(Commission File Number)

91-1761992
(I.R.S. Employer
Identification No.)

226 Airport Parkway, Suite 595
San Jose, CA 95110
(408) 200-9200
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	PXLW	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b)

On September 12, 2019, Steven Moore indicated his intent to resign as the Chief Financial Officer of Pixelworks, Inc., (the “Company”) effective as of upon the commencement of employment of the new Chief Financial Officer of the Company, estimated to be September 16, 2019.

(c) and (e)

Appointment of Elias Nader as Chief Financial Officer

On September 12, 2019, Elias Nader was appointed to serve as the Chief Financial Officer of Pixelworks, effective as of September 16, 2019, contingent upon the execution by Mr. Nader of the necessary employment documentation.

Mr. Nader, 55, has served as the Interim President and Chief Executive Officer of Sigma Designs, Inc. (“Sigma”) since January 26, 2018 and as Sigma’s Chief Financial Officer since April 2014. Mr. Nader will continue to serve as an independent contractor to Sigma in connection with its remaining dissolution process. Prior to that, Mr. Nader also served as Sigma’s interim Chief Financial Officer and as Sigma’s Corporate Controller. Prior to joining Sigma, Mr. Nader served as a chief financial officer consultant with various companies in Europe and the Middle East from October 2011 to September 2012. From June 2010 to September 2011, Mr. Nader served as group chief financial officer with Imperial Jet, a VIP business aircraft company based in Europe and the Middle East. From June 2005 to June 2010, Mr. Nader served as corporate controller at Dionex Corporation, a chromatography company based in Sunnyvale, California. Mr. Nader currently serves on the board of directors of LMP Automotive Holdings Inc., a private company. Mr. Nader is a graduate of San Jose State University.

Pursuant to the terms of the Offer Letter between Mr. Nader and the Company, as the Company’s Chief Financial Officer, Mr. Nader will receive a base salary, initially set at an annualized amount of \$290,000, and will be eligible to participate in the Company’s cash bonus program with an annual target bonus equal to 50% of his annual base salary. In addition, effective as of the commencement date of his employment, Mr. Nader will be awarded 250,000 restricted stock units (RSUs) which shall vest at a rate of 25% per year over four years on August 14, 2020; August 13, 2021; August 15, 2022; and August 15, 2023. The foregoing summary of the Offer Letter with Mr. Nader does not purport to be complete and is qualified in its entirety by reference to the Offer Letter, which is filed as Exhibit 10.1 and is incorporated herein by reference

Mr. Nader will also be subject to the terms of a Change of Control and Severance Agreement with the Company, (the “Severance Agreement”). The Severance Agreement provides that in the event an involuntary termination occurs within six months prior to, or within twelve (12) months following, a change of control (as such term is defined in the Severance Agreement), Mr. Nader will be entitled to the following benefits: (i) a lump sum cash payment equal to twelve (12) months of his base salary and the then-current year's target bonus as in effect as of the date of such involuntary termination or, if greater, as in effect immediately prior to the change of control; (ii) accelerated vesting of all outstanding equity awards granted to him by the Company prior to the change of control; and (iii) the same level of Company-paid health coverage and benefits in effect on the day preceding the termination of Mr. Nader until the earlier of when he (and any eligible dependents) is no longer eligible to receive continuation coverage pursuant to COBRA, or twelve (12) months from the date of termination. In the event of an involuntary termination that occurs within six months prior to a change of control, any acceleration of vesting of options and shares triggered by the change of control will occur immediately prior to the change of control and Mr. Nader will have a minimum of six months following the change of control to exercise the options (or longer if a longer period would otherwise be applicable)

In the event of an involuntary termination apart from a change of control, Mr. Nader would receive the same cash severance and health benefits as if the termination occurred within six months prior to, or within twelve (12) months following, a change of control, as described above, but will only receive accelerated vesting in his outstanding equity awards if his termination of employment occurs at least one year after his commencement of employment. If his termination is at least one (1) year and less than two (2) years after his commencement of employment by the Company, Mr. Nader will receive six months accelerated vesting and if his termination of employment is at least two years following his commencement of employment by the Company, Mr. Nader will receive twelve (12) months accelerated vesting. For purposes of this accelerated vesting, awards with annual vesting periods which straddle the acceleration period are treated as vesting in equal monthly amounts instead of annually. In the event of termination apart from a Change of Control, the benefits would be calculated as if the date of the change of control were the same as the date of the involuntary termination.

In the event the severance benefits under the Severance Agreement would be treated as excess parachute payments subject to excise taxes, the benefits would either be reduced to a level that would not trigger the excise taxes or would be paid in full, whichever results in Mr. Nader retaining a greater benefit on an after-tax basis. A copy of the Severance Agreement is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Mr. Nader will also enter into the Company's standard form of Indemnity Agreement for directors and executive officers. Pursuant to the terms of the Indemnity Agreement, the Company will indemnify Mr. Nader to the fullest extent permitted under Oregon law against liabilities that may arise by reason of his service to Pixelworks, and advance expenses incurred as a result of any proceeding against him as to which he could be indemnified. A copy of the Indemnity Agreement is filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K filed on March 14, 2018 and is incorporated herein by reference.

There are no family relationships between Mr. Nader and any director, executive officer or person nominated by the Company to become a director or executive officer, and there are no transactions between Mr. Nader or any of his immediate family members, on the one hand, and the Company or any of its subsidiaries, on the other, that would be required to be reported under Item 404(a) of Regulation S-K.

Transition Agreement and Consulting Agreement with Steven Moore

On September 12, 2019, the Company entered into a Transition Agreement and a Consulting Agreement with Steven Moore. Pursuant to the terms of the Transition Agreement, Mr. Moore will terminate as an employee on October 4, 2019 and provide consulting services through March 6, 2020, under the Consulting Agreement. In return for a release from Mr. Moore, the Company has agreed to pay Mr. Moore a severance amount equal to \$167,635 (less applicable tax withholdings), pay an annual bonus for 2019 of \$143,688, and provide COBRA continued health care coverage at the premium level in effect prior to his termination for Mr. Moore and his dependents for the eighteen month period following his termination of employment. Pursuant to the terms of the Consulting Agreement, Mr. Moore will provide consulting services to the Company through March 6, 2020, pursuant to which he will advise on projects assigned to him by the Company (not to exceed 35 hours per week, on average per month), and will be paid \$119,740 for the term of the Consulting Agreement for such services. Mr. Moore will continue to vest on his outstanding equity awards during the consulting period (or in the event of his termination without Cause (as defined in his existing Amended and Restated Change of Control and Severance Agreement (the "Severance Agreement") or due to death or disability), and in the event of a Change of Control (as defined in the Severance Agreement) within six (6) months following the end of his consulting period, Mr. Moore will receive 100% accelerated vesting of his currently outstanding equity awards.

The foregoing description of the Termination Agreement and the Consulting Agreement with Mr. Moore is qualified in its entirety by reference to the full text of such agreements, which are filed as Exhibit 10.3 and Exhibit 10.4 to this Current Report on Form 8-K and are incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On September 16, 2019, the Company issued a press release announcing Mr. Moore's resignation and Mr. Nader's appointment as Chief Financial Officer. A copy of this press release is furnished as Exhibit 99.1 and is incorporated by reference herein. The information in this Form 8-K under Item 7.01 and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific referencing in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated September 16, 2019.
10.1	Offer Letter with Elias Nader.
10.2	Change of Control and Severance Agreement with Elias Nader.
10.3	Transition Agreement with Steven Moore dated September 12, 2019.
10.4	Consulting Agreement with Steven Moore dated September 12, 2019.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIXELWORKS, INC.

(Registrant)

Dated: September 16, 2019

/s/ Todd A. DeBonis

Todd A. DeBonis

President and Chief Executive Officer

(Principal Executive Officer)



September 12, 2019

Elias Nader

[*]

Dear Elias,

It is our pleasure to formally invite you to join the staff of Pixelworks Inc. as Vice President and Chief Financial Officer to be located in San Jose. Our employment offer is subject to Pixelworks' normal personnel policies and our comprehensive benefit program. As discussed, the following items outline the terms of our offer.

You will report directly to me. This is an exempt position and your starting compensation will be as follows: bi-weekly rate of \$11,153.85, equivalent to \$290,000 on an annual basis.

As a Vice President, you will be eligible to participate in the 2019 Executive Bonus Plan at a potential payout of 50% of your base salary at target. Participation in the Executive Bonus Plan is subject to the terms and conditions of the plan, as described in the plan document, which will be provided to you separately.

We want you to share in the success of the company through stock participation. We are offering you 250,000 Restricted Stock Units ("RSU"), subject to the Board of Directors approval, pursuant to the Company's 2006 Stock Incentive Plan (the "Plan") and the terms and conditions of the RSU Agreement. Subject to your continued employment to each vesting date, these RSU's will vest at a rate of 25% per year: August 14, 2020, August 13, 2021, August 15, 2022 and August 15, 2023. The full details of the grant will be outlined in your stock agreement documentation. You will be eligible for future grants based on your performance, the performance of the Company and the approval of the Board of Directors. Shares of stock received by you under the Plan are subject to the stock retention requirements of Section 2.3 of the Plan.

You are also being offered the Change of Control and Severance Agreement in the form enclosed.

Our benefits, payroll, and other human resource management services are provided through TriNet HR Corporation, a professional employer organization. As a result of this arrangement, TriNet will be considered your employer of record for these purposes; however, I will be responsible for directing your work, reviewing your performance, setting your schedule and otherwise directing your work at Pixelworks.

Pixelworks pays bi-weekly, with pay dates every other Friday. Paychecks will include wages due through the two-week period (Sunday through Saturday) prior to the pay date. Should payday fall on a holiday, it will be paid on the previous workday.

Pixelworks extends this offer to you based solely on your skills, accomplishments and growth potential and not on any confidential or proprietary information you may have belonging to others, including your prior employers. We request that you not disclose to Pixelworks any such information, in the form of documents or otherwise.

You will also be subject to our policies applicable senior executives, including our Code of Business Ethics, Code of Ethics for Senior or Designated Financial Personnel, Policy Against Disclosure of Confidential Information and Insider Trading, and our Executive Compensation Recovery Policy. Enclosed is a Executive Compensation Recovery Policy Acknowledgement and Agreement (the "Compensation Recovery Agreement") and as an officer subject to Section 16 of the Securities Exchange Act of 1934, your employment is conditioned on your execution of this agreement.

Enclosed is also our Proprietary Information and Inventions Agreement, all employees are required to sign this document prior to commencement of work. As with any new hire, under the Immigration Reform and Control Act of 1986 we will be required to confirm your eligibility to work in the United States within three days of your hire date.

Pixelworks is an at-will employer, and your employment will not be for any specific period of time. You are free to quit and the Company is free to terminate employment at any time, with or without cause. It is further understood that this at-will employment relationship can only be changed in a formal written employment contract signed by the Chief Executive Officer.

Please indicate your acceptance of this offer by signing and returning a copy of both this letter and the Compensation Recovery Agreement to our Human Resources department as soon as possible. Please note, we require receipt of this offer letter signed by you, a signed Compensation Recovery Agreement and completed Proprietary Information Agreement (enclosed) prior to placing you on the Pixelworks payroll. This offer will expire on September 15, 2019.

Finally, we request that you maintain confidentiality of the terms and conditions of this offer, except as required by law or for confidential financial disclosures.

We sincerely hope you find this employment offer attractive and look forward to welcoming you to the Pixelworks team. If you find that we can be of further assistance, please feel free to contact us with any questions.

Sincerely,

/S/ Todd A. DeBonis

Todd A. DeBonis
President and Chief Executive Officer

I accept this contingent offer of employment with Pixelworks Inc. and agree to the terms and conditions as stated above. I agree to commence employment on September 16, 2019.

Signed /S/ Elias Nader
Elias Nader

Please send a copy of your signed offer letter in an envelope marked Confidential to:

**Human Resources
Pixelworks Inc.
226 Airport Pkwy., Ste 595,
San Jose, CA 94110
Phone: 408-200-9200
Fax: 408-200-9299**

PIXELWORKS, INC.

CHANGE OF CONTROL

AND SEVERANCE AGREEMENT

This Change of Control and Severance Agreement (the “Agreement”) is made and entered into, by and between Elias Nader (the “Executive”) and Pixelworks, Inc., an Oregon corporation (the “Company”) effective as of the Executive’s commencement of employment by the Company (the “Effective Date”). Certain capitalized terms used in this Agreement are defined in Section 1 below.

RECITALS

WHEREAS, the Board of Directors of the Company has determined that it is in the interest of the Company to offer this Agreement to the Executive as an inducement for the Executive to accept the employment by the Company and to provide the Executive with an incentive to continue Executive’s employment with the Company, including an incentive to maximize the value of the Company upon a Change of Control for the benefit of its shareholders.

AGREEMENT

The parties therefore agree as follows:

1. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) Cause. “Cause” shall mean Executive engaged in any one or more of the following: (i) a material act of dishonesty, fraud, misconduct, or willful violation of any material law, ethical rule or fiduciary duty that is in connection with Executive’s responsibilities as an executive of the Company; (ii) acts constituting a felony or moral turpitude which the Board reasonably believes has had or will have a material detrimental effect on the Company’s reputation or business; or (iii) repeated willful failure to perform Executive’s duties as an executive of the Company and the failure to effect such cure within thirty (30) days after written notice of such violation or breach is given to Executive; or (iv) the willful violation of any material Company policy or procedure, or breach of any material provision of this Agreement or other agreement with the Company, and if such violation or breach is susceptible of cure, the failure to effect such cure within thirty (30) days after written notice of such violation or breach is given to Executive.

(b) Change of Control. “Change of Control” shall mean the occurrence of any of the following events:

(i) the approval by shareholders of the Company of a merger or consolidation of the Company with any other corporation, or of a subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in effective voting control over the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(ii) the approval by the shareholders of the Company of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets;

(iii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becoming the “beneficial owner” (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company’s then outstanding voting securities; or

(iv) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. “Incumbent Directors” shall mean directors who either (A) are directors of the Company as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those directors who are either identified in (A) or identified as their successors elected under this clause

(B).

(c) Good Reason Event. A “Good Reason Event” shall be any of the following: (i) without the Executive’s express written consent, a material diminution of the Executive’s duties, authority or responsibilities; (ii) without the Executive’s express written consent, a reduction by the Company of the Executive’s base salary; (iii) without the Executive’s express written consent, the imposition of a requirement that Executive’s primary place of employment be at a facility or a location more than fifty (50) miles from the Executive’s current work location, provided that such requirement to relocate materially increases the Executive’s commute; or (iv) the failure of the Company to obtain the assumption of this Agreement by any successors contemplated in Section 6 below. The Executive must provide notice of intent to terminate for a Good Reason within thirty (30) days of occurrence of the event constituting a Good Reason Event, and the Executive may terminate for Good Reason Event only if the Company shall fail to cure such event within fourteen (14) days of receipt of such notice from the Executive.

(d) Involuntary Termination. “Involuntary Termination” shall mean (i) any termination of the Executive’s employment by the Company which is not effected for valid Cause; or (ii) any termination by the Executive for Good Reason.

(e) Termination Date. “Termination Date” shall mean the effective date of any notice of termination delivered by one party to the other hereunder.

2. Term of Agreement. This Agreement shall terminate upon the earlier of two (2) years after a Change of Control, or (ii) the date that all obligations of the parties hereto under this Agreement have been satisfied.

3. At-Will Employment. The Company and the Executive acknowledge that the Executive’s employment is and shall continue to be at-will, as defined under applicable law. If the Executive’s employment terminates for any reason, the Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement, or as may otherwise be established under the Company’s then existing employee benefit plans or policies at the time of termination.

4. Severance Benefits.

(a) Termination During Change of Control Window.

(i) If Within Six Months Before a Change of Control. If the Executive’s employment with the Company terminates as a result of an Involuntary Termination at any time within six (6) months before a Change of Control, and the Executive signs and does not revoke the release of claims pursuant to Section 7 hereto, Executive shall be entitled to the following severance benefits:

(1) Twelve (12) months of Executive’s base salary in effect as of, and annual target bonus in effect for the year of, the date of such termination, less applicable withholding, payable in a lump sum thirty (30) days following such Involuntary Termination or, if later, the date the release pursuant to Section 7 becomes effective or such later date as required by Section 7.

(2) Subject to Section 4(d) below, (i) all stock options granted by the Company to the Executive prior to the Change of Control shall accelerate and become 100% vested and exercisable to the extent such stock options are outstanding and un-exercisable at the time of such termination; (ii) all restricted stock units and shares of restricted stock granted by the Company to the Executive prior to the Change of Control which are outstanding and unvested as of the time of such termination shall accelerate and become 100% vested; and (iii) all stock subject to a right of repurchase by the Company (or its successor) that was purchased prior to the Change of Control shall have such right of repurchase lapse. Such accelerated vesting, exercisability and lapse of repurchase rights is referred to herein as the “Equity Acceleration Benefit.”

(3) The same level of Company-paid health (i.e., medical, vision and dental) coverage and benefits for such coverage as in effect for the Executive (and any eligible dependents) on the day immediately preceding the Executive’s Termination Date; provided, however, that (i) the Executive constitutes a qualified beneficiary, as defined in Section 4980B(g)(1) of the Internal Revenue Code of 1986, as amended; and (ii) Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), within the time period prescribed pursuant to COBRA. The Company shall continue to provide Executive with such Company-paid coverage until the

earlier of (i) the date Executive (and Executive's eligible dependents) is no longer eligible to receive continuation coverage pursuant to COBRA, or (ii) twelve (12) months from the Termination Date.

(4) *Rules For Uncertainty Period:* During the six months following an Involuntary Termination that occurs at some time other than in the twenty-four (24) months following a Change of Control, these further rules will apply.

(1) As of the date of the Involuntary Termination, any options that have the potential to become vested if a Change of Control occurs in the following six months, but which have not yet vested, will be regarded as unexpired until the end of the six month period (but not beyond the maximum term of such option), at which time, if no Change of Control has occurred, the options will expire unvested. As of the date of an Involuntary Termination, Executive may hold restricted stock units, shares of restricted stock or other rights as to which, absent a Change of Control, would be forfeited or the Executive holds shares of restricted stock as to which the Company would have repurchase rights, but as to which such rights would expire if a Change of Control occurs within six months or as to which the Company may repurchase such shares of restricted stock during such six-month period. Until it is known whether the status of such restricted stock units, shares of restricted stock or other rights have changed, to the extent they have the potential to become vested they shall not be forfeited or repurchased by the Company, and all periods for exercising repurchase rights, or related thereto, shall be tolled until such time as it can be known with certainty whether such repurchase rights have expired.

(2) If a Change of Control occurs within those six months, the benefits due under this Agreement will accrue immediately, calculated as of the original Involuntary Termination Date. In that event, any cash severance benefit will be paid thirty (30) days following the Change of Control, and the options, rights and shares that would have vested on the date of Executive's Involuntary Termination if a Change of Control agreement had then occurred, will immediately vest. Subject to the terms of the Change of Control Agreement affecting the options, Executive will then have a minimum of six months following the Change of Control to exercise the options (longer if a longer period would otherwise be applicable and in no event in excess of the maximum period of such option).

(ii) If Within Twelve Months After a Change of Control. If the Executive's employment with the Company terminates as a result of an Involuntary Termination at any time within twelve (12) months after a Change of Control, and the Executive signs and does not revoke the release of claims pursuant to Section 7 hereto, Executive shall be entitled to the following severance benefits:

(1) twelve (12) months of Executive's base salary in effect as of the date of, and annual target bonus in effect for the year of, the Involuntary Termination, or, if greater for each, as in effect immediately prior to the Change of Control, less applicable withholding, payable in a lump sum thirty (30) days following such Involuntary Termination or, if later, the date the release pursuant to Section 7 becomes effective or such later date as required by Section 7.

(2) subject to Section 4(d) below, the Executive shall receive the Equity Acceleration Benefit set forth in Section 4(a)(i)(2) above.

(3) the same level of Company-paid health (i.e., medical, vision and dental) coverage and benefits for such coverage as in effect for the Executive (and any eligible dependents) on the day immediately preceding the Executive's Termination Date; provided, however, that (i) the Executive constitutes a qualified beneficiary, as defined in Section 4980B(g)(1) of the Internal Revenue Code of 1986, as amended; and (ii) Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), within the time period prescribed pursuant to COBRA. The Company shall continue to provide Executive with such Company-paid coverage until the earlier of (i) the date Executive (and Executive's eligible dependents) is no longer eligible to receive continuation coverage pursuant to COBRA, or (ii) twelve (12) months from the Termination Date.

(iii) If Between Twelve Months and Twenty-Four Months Following Change of Control. If the Executive's employment with the Company terminates as a result of an Involuntary Termination at any time during the period that is from twelve (12) months after a Change of Control to twenty-four (24) months after a Change of Control (such period being the "Second Year"), and the Executive signs and does not revoke the release of claims pursuant to Section 7 hereto, Executive shall be entitled to the following severance benefits:

(1) a lump sum cash amount payable thirty (30) days following the Involuntary Termination (or, if later, date the release pursuant to Section 7 becomes effective or such later date as required by Section 7) equal to the greater of (i) the annual base salary in effect as of, and the target bonus applicable to the calendar year of, the

Involuntary Termination; or (ii) the annual base salary in effect as of, and the target bonus applicable to the calendar year of, the Change of Control, as in effect immediately prior to the Change of Control;

(2) the health benefits set forth in Section 4(a)(i)(3) above; and

(3) subject to Section 4(d) below if greater, the Equity Acceleration Benefit set forth in Section 4(a)(i)(2) above, provided, however, that instead of 100% acceleration, Executive shall receive acceleration of vesting of restricted stock units, shares of restricted stock or other rights, or lapse of the Company repurchase rights for shares of restricted stock, that would have vested or with respect to which the Company's repurchase rights would have lapsed during the number of months remaining in the Second Year as of the date of termination as if Executive had remained employed by the Company (or its successor) through such date under the agreement applicable to such award. For purposes of this subsection (3), only entire months that remain in the Second Year shall be counted as "remaining," and any fraction of a month that remains after the date of the termination shall not be counted hereunder. Notwithstanding the preceding, such Equity Acceleration Benefit shall be not less than the Equity Acceleration Benefit which would be received by Executive under Section 4(b)(i) below.

(b) Termination Apart from a Change of Control. If the Executive's employment with the Company terminates other than as a result of an Involuntary Termination within the twenty-four (24) months following a Change of Control, then the following provisions shall apply:

(i) Involuntary Termination. If the termination is an Involuntary Termination and the Executive signs and does not revoke the release of claims pursuant to Section 7 hereto, the Executive shall be entitled to the same benefits described in Section 4(a)(i) calculated as if the date of the Change of Control were immediately following the effective date of the Involuntary Termination, except that for this purpose Section 4(a)(i)(2) shall be revised to read as follows:

"(2)if the Executive's termination employment occurs within one (1) year of the Executive's commencement of employment, no Equity Acceleration Benefit shall be provided; and, subject to Section 4(d) below, if Executive's termination employment occurs one (1) year or more after the Executive's commencement of employment, Executive shall receive acceleration of vesting of restricted stock units, shares of restricted stock and other rights, or lapse of the Company repurchase rights for shares of restricted stock, for units, shares or rights that would have vested or with respect to which the Company's repurchase rights would have lapsed during the Acceleration Period (as defined below) following such termination as if Executive had remained employed by the Company (or its successor) through the end of such Acceleration Period under the agreement applicable to such award; provided that, if an award has annual vesting periods and an annual vesting period under such award straddles the end of the Acceleration Period, for such vesting period the portion of the award which is eligible to vest on the next annual vesting date shall be treated as vesting in equal monthly amounts instead of annually. For purposes of this subsection, Acceleration Period shall mean six (6) months if the Executive's date of termination of employment is at least one (1) year following his commencement of employment by the Company and twelve (12) months if his termination of employment is at least two (2) years following his commencement of employment by the Company."

(ii) For Cause or Voluntary Termination. If the termination is for Cause or is not otherwise an Involuntary Termination, then the Executive will not be entitled to receive severance or other benefits hereunder.

(iii) For avoidance of doubt, receipt of the benefits for an Involuntary Termination under Section 4(b)(i) shall not preclude the Executive's receipt of any additional benefit which is provided under Section 4(a)(i)(2) if such Involuntary Termination occurs at any time within six (6) months before a Change of Control.

(c) Accrued Wages and Vacation; Expenses. Without regard to the reason for, or the timing of, Executive's termination of employment: (i) the Company shall pay the Executive any unpaid base salary due for periods prior to the Termination Date; (ii) the Company shall pay the Executive all of the Executive's accrued and unused vacation through the Termination Date; and (iii) following submission of proper expense reports by the Executive, the Company shall reimburse the Executive for all expenses reasonably and necessarily incurred by the Executive in connection with the business of the Company prior to the Termination Date. These payments shall be made promptly upon termination and within the period of time mandated by law.

(d) Equity Awards Subject to Performance Conditions. In the case of an equity award which provides

for performance-based vesting (or other similar rules), accelerated vesting and payment with respect to such award shall be governed by the agreement applicable to such award instead of the Equity Acceleration Benefits provisions of Sections 4(a)(i)(2), 4(a)(ii)(2), 4(a)(iii)(3) and 4(b)(i).

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to the Executive (i) constitute “parachute payments” within the meaning of Section 280G of the United States Internal Revenue Code (the “Code”), and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then Executive’s benefits under this Agreement shall be either

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

Any determination required under this section shall be made in writing by the Company’s independent public accountants (the “Accountants”), whose determination shall be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this section, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this section.

6. Successors.

(a) Company’s Successors. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company’s business and/or assets shall assume the Company’s obligations under this Agreement and agree expressly to perform the Company’s obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “Company” shall include any successor to the Company’s business and/or assets which executes and delivers the assumption agreement described in this subsection (a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive’s Successors. Without the written consent of the Company, Executive may not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity. Notwithstanding the foregoing, the terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

7. Execution of Release Agreement upon Termination. As a condition of receiving the benefits under Section 4 of this Agreement, Executive must sign and not revoke a general release of claims (a “Release”), with such revocation period ending not later than sixty (60) days following Executive’s separation from service (the “Release Deadline”). No benefits under Section 4 will be paid or provided until the Release becomes effective. In the event the sixty (60) day period begins in one calendar year and ends in the calendar year following the calendar year in which Executive’s separation occurs, any benefits that would be considered Deferred Payments (as defined in Section 9) will be paid or commence to be paid, as applicable, on the first regularly scheduled pay date immediately following the Release Deadline, subject to Section 9, below. The Release shall be such form as reasonably requested by the Company, provided however, that no release of claims shall be required for (a) the Executive’s rights under this Agreement, (b) vested rights under Company benefit plans, and (c) rights to indemnification or directors and officers liability insurance protection.

8. Litigation/Audit Cooperation. Following the termination of Executive’s employment for any reason, Executive shall reasonably cooperate with the Company or any of its subsidiaries or affiliates (the “Company Group”) in connection with (a) any internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving any member of the Company Group with respect to matters relating to Executive’s employment with or service as a member of the board of directors of any member of the Company Group other than a third party proceeding in which

Executive is a named party and Executive and the Company (or the applicable member(s) of the Company Group) have not entered into a mutually acceptable joint defense agreement (collectively, "Litigation") or (b) for a two year period following the Termination Date, any audit of the financial statements of any member of the Company Group with respect to the period of time when Executive was employed by any member of the Company Group ("Audit"). Executive acknowledges that such cooperation may include, but shall not be limited to, Executive making himself available to the Company or any other member of the Company Group (or their respective attorneys or auditors) upon reasonable notice for: (i) interviews, factual investigations, and providing declarations or affidavits that provide truthful information in connection with any Litigation or Audit; (ii) appearing at the request of the Company or any member of the Company Group to give testimony without requiring service of a subpoena or other legal process; (iii) volunteering to the Company or any member of the Company Group pertinent information related to any Litigation or Audit; (iv) providing information and legal representations to the auditors of the Company or any member or any member of the Company Group, in a form and within a timeframe requested by the Board, with respect to the Company's or any member of the Company Group's opening balance sheet valuation of intangibles and financial statements for the period in which Executive was employed by the Company or any member of the Company Group; and (v) turning over to the Company or any member of the Company Group any documents relevant to any Litigation or Audit that are or may come into Executive's possession. The Company shall reimburse Executive for reasonable travel expenses incurred in connection with providing the services under this Section 8, including lodging and meals, upon Executive's submission of receipts. The Company shall also compensate Executive for each hour that Executive provides cooperation in connection with this Section 8 at an hourly rate equal to Executive's base salary as of the Termination Date divided by 2080. Executive shall submit invoices for any month in which Executive performs services pursuant to this Section 8 that details the amount of time and a description of the services rendered for each separate day that Executive performed such services. The Company shall reimburse Executive for such services rendered within fifteen (15) days of receiving an invoice from Executive.

9. 409A Savings Clause. If Executive is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended by the rules and regulations issued thereunder by the Department of Treasury and the Internal Revenue Service ("409A") as of the date of the Executive's "separation from service" within the meaning of Section 409A, Executive shall not be entitled to any payment or benefit pursuant to Section 4 which is treated as nonqualified deferred compensation under Section 409A of the Code ("Deferred Payments") until the earlier of (i) the date which is six (6) months after his separation from service for any reason other than death, or (ii) the date of Executive's death. The provisions of this Section 9 shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. Any amounts otherwise payable to Executive upon or in the six (6) month period following the Executive's separation from service that are not so paid by reason of this Section 9 shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after Executive's separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive's death). To the extent that any benefits pursuant to Section 4 or reimbursements pursuant to Section 5 are taxable to the Executive, any reimbursement payment due to the Executive pursuant to any such provision shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements pursuant to Section 4 are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that the Executive receives in one taxable year shall not affect the amount of such benefits or reimbursements that the Executive receives in any other taxable year. For purposes of this Agreement, a termination of employment shall mean a "separation from service" under Section 409A.

10. Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to Executive at the home address which Executive most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

11. Arbitration.

(a) Any dispute or controversy arising out of, relating to, or in connection with this Agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, shall be settled by binding arbitration to be held in Portland, Oregon in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association (the "Rules"). The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

(b) The arbitrator(s) shall apply Oregon law to the merits of any dispute or claim, without reference

to conflicts of law rules. The arbitration proceedings shall be governed by federal arbitration law and by the Rules, without reference to state arbitration law. Executive hereby consents to the personal jurisdiction of the state and federal courts located in Oregon for any action or proceeding arising from or relating to this Agreement or relating to any arbitration in which the parties are participants.

(c) Executive understands that nothing in this Section modifies Executive's at-will employment status. Either Executive or the Company can terminate the employment relationship at any time, with or without Cause.

(d) EXECUTIVE HAS READ AND UNDERSTANDS THIS SECTION, WHICH DISCUSSES ARBITRATION. EXECUTIVE UNDERSTANDS THAT SUBMITTING ANY CLAIMS ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT, OR THE INTERPRETATION, VALIDITY, CONSTRUCTION, PERFORMANCE, BREACH OR TERMINATION THEREOF TO BINDING ARBITRATION, CONSTITUTES A WAIVER OF EXECUTIVE'S RIGHT TO A JURY TRIAL AND RELATES TO THE RESOLUTION OF ALL DISPUTES RELATING TO ALL ASPECTS OF THE EMPLOYER/EXECUTIVE RELATIONSHIP, INCLUDING BUT NOT LIMITED TO, THE FOLLOWING CLAIMS:

(i) ANY AND ALL CLAIMS FOR WRONGFUL DISCHARGE OF EMPLOYMENT; BREACH OF CONTRACT, BOTH EXPRESS AND IMPLIED; BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING, BOTH EXPRESS AND IMPLIED; NEGLIGENT OR INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS; NEGLIGENT OR INTENTIONAL MISREPRESENTATION; NEGLIGENT OR INTENTIONAL INTERFERENCE WITH CONTRACT OR PROSPECTIVE ECONOMIC ADVANTAGE; AND DEFAMATION.

(ii) ANY AND ALL CLAIMS FOR VIOLATION OF ANY FEDERAL STATE OR MUNICIPAL CONSTITUTION OR STATUTE, INCLUDING, BUT NOT LIMITED TO, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE CIVIL RIGHTS ACT OF 1991, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE FAIR LABOR STANDARDS ACT, THE CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT, AND THE CALIFORNIA LABOR CODE (except for claims for underlying workers' compensation benefits); and

(iii) ANY AND ALL CLAIMS ARISING OUT OF ANY OTHER LAWS AND REGULATIONS RELATING TO EMPLOYMENT OR EMPLOYMENT DISCRIMINATION.

12. Proprietary Information and Inventions Assignment Agreement. Executive shall execute and comply with the terms of the Company's standard Proprietary Information and Inventions Assignment Agreement.

13. Miscellaneous Provisions.

(a) Effect of Any Statutory Benefits. If any severance benefits are required to be paid to the Executive upon termination of employment with the Company as a result of any requirement of law or any governmental entity in any applicable jurisdiction, the aggregate amount payable pursuant to Section 4 hereof shall be reduced by such amount.

(b) Effect of Standard Company Policy or Other Agreements. To the extent that any severance benefits or payments are required to be paid to the Executive upon termination of employment with the Company as a result of any standard Company policy or other existing agreement(s), Executive shall be entitled to the most favorable of any given benefit (e.g., cash, option vesting, health benefits) available under any one such source, but shall not be entitled also to cumulate the same kind of benefit from multiple agreements or policies.

(c) No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Executive may receive from any other source.

(d) Waiver. No provision of this Agreement may be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) Integration. This Agreement and any agreements referenced herein represent the entire

agreement and understanding between the parties as to the subject matter herein and collectively supersede all prior or contemporaneous agreements, whether written or oral, with respect to the same subject matter, provided that, for clarification purposes, this Agreement shall not affect any agreements between the Company and Executive regarding intellectual property matters or confidential information of the Company.

(f) Choice of Law. The validity, interpretation construction and performance of this Agreement shall be governed by the internal substantive laws, but not the conflicts of law rules, of the State of Oregon.

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(h) Employment Taxes. All payments made pursuant to this Agreement shall be subject to withholding of applicable income and employment taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Pixelworks, Inc

/S/ Todd A. DeBonis

Todd A. DeBonis
President & Chief Executive Officer

Executive

/S/ Elias Nader

Elias Nader

TRANSITION AGREEMENT

This Transition Agreement (this “**Agreement**”), is made by and between Steven Moore, an individual (the “**Executive**”) and Pixelworks, Inc. (the “**Company**”) (individually each a “**Party**” and collectively the “**Parties**”), effective at the end of the seventh (7th) calendar day after the date a signed copy of this Agreement is delivered to the Company by the Executive (the “**Effective Date**”).

Recitals

1. Executive’s employment with the Company will end on October 4, 2019, but he has agreed to continue working at the Company to and for a limited period of time following the commencement of employment of a new Chief Financial Officer in order to assist in the transition of his duties to the new Chief Financial Officer.

2. The Parties wish to have Executive’s rights to severance pay and other benefits arising from the transition of his job duties and the termination of Executive’s employment with the Company to be governed by terms of this Agreement and the agreements referenced herein.

Agreement

Based upon the information stated in the above Recitals and the statements, promises and agreements contained below, the Parties hereby agree as follows:

1. **Employment of Executive.** The Parties agree that Executive’s employment with the Company will terminate October 4, 2019 (“**Termination Date**”). Executive agrees that upon commencement of employment of the new Chief Financial Officer of the Company (the “**New CFO**”), estimated to be September 16, 2019, Executive will cease being the Chief Financial Officer of the Company (“**Transition Date**”). The Time period from the Transition Date to the Termination Date, shall be called the “**Transition Period.**”

2. **Duties and Compensation during the Transition Period.** Executive will continue to work full time for the Company during the Transition Period, assisting in the transition of his duties to the New CFO and performing other duties as requested by the Company. During the Transition Period, Executive’s base salary will continue to be \$23,947.92 per month, he will continue to accrue all employee benefits available to all other similarly situated full time executive employees and he will continue vest in his outstanding Restricted Stock Units (“**RSUs**”) in accordance with terms of such awards.

3. **Accrued Vacation Time and Reimbursement of Expenses.** On or before the Termination Date, the Company shall fully pay Executive for all accrued but unused vacation and shall reimburse him for all reimbursable expenses that he has submitted for payment.

4. **Post-termination Consulting.** The Parties agree that upon termination of Executive’s employment, Executive shall become a consultant to the Company for a period commencing on the Termination Date and ending on March 6, 2020 or such earlier date as provided in the Consulting Agreement attached hereto as Exhibit A (the “**Consulting Period**”). Both Parties agree that they will sign the Consulting Agreement on or before the Termination Date.

5. **COBRA Subsidy.** In further consideration for this release and other promises made by Executive herein, and provided that Executive timely and properly elects continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), Company agrees to pay for the portion of each month’s COBRA payment equal to the monthly amount that was paid by the Company for health insurance for the Employee and his dependents prior the termination of Executive’s employment (inclusive of medical, dental and vision) (“**COBRA Payment**”) for the eighteen month period from November 2019 through April 2021 (the “**COBRA Period**”); provided that, notwithstanding the foregoing, in the event such COBRA Payment could result in a penalty, excise tax or other related liability to the Company, the Executive or the group health plan under applicable law, Company may instead, at Company’s discretion, provide Executive with cash payments during the COBRA Period equivalent in value to the COBRA Payment otherwise payable hereunder but without regard as to whether Executive continues health coverage under the Company’s group health plan (the “**Substitute Benefit**”). The Employee will not be reimbursed for the portion of the premium which he had paid prior to the termination of employment or for any administrative fees. Notwithstanding the foregoing, the COBRA Payment or the Substitute Benefit will cease upon the earlier of the end of COBRA Period, Executive becoming eligible for health insurance by a new employer, or the occurrence of any event that would cause Executive to no longer be eligible for COBRA continuation coverage under the Company’s group health plan. Executive is solely responsible for making his COBRA election in a timely manner.

6. **Annual Bonus.** Executive will be paid the amount of his annual target bonus for 2019, in the amount of one hundred forty three thousand six hundred eighty eight dollars (\$143,688). Such payment will be made when other Company 2019 executive annual bonuses are normally paid, but in no event later than March 13, 2020.

7. **Severance Payment.** Upon the termination of Executive's Consulting Agreement, and on the condition that not later than March 6, 2020, Executive signs the Separation Agreement and Release of Claims (the "**Second Agreement**") in the form attached hereto as Exhibit B, and does not revoke the Second Agreement, and in consideration of the covenants and promises contained in the Second Agreement, the Company will pay Executive a lump sum payment of one hundred sixty seven thousand six hundred thirty five dollars (\$167,635), less applicable withholding, which is equal to approximately seven months of Executive's base salary. Such payment shall be made not later than March 13, 2020.

8. **Payment of Attorneys' Fees.** The Company shall make payment of up to One Thousand Five hundred dollars (\$1,500.00) for attorney's fees and costs incurred in connection with drafting and negotiating this Agreement, the Consulting Agreement and the Separation Agreement, and providing advice to Executive with respect to related issues related to the foregoing, which sum shall be reported on a Form 1099 to both the Executive and his attorneys.

9. **Effect of Equity Awards.** The outstanding RSUs held by the Executive shall continue to remain outstanding until the date which is six (6) months following the termination of the Consulting Period and such RSUs shall continue to vest during Consulting Period. If Executive does not complete the remaining period of employment by the Company or the full term of his Consulting Agreement by reason of termination by the Company for other than Cause as defined in paragraph 1(a) of the Executive's Amended and Restated Change of Control and Severance Agreement effective January 15, 2019 (the "**2019 Severance Agreement**"), or by reason of the Executive's death or inability to perform the services required by reason of the Executive's disability (as determined by the Board in good faith), then the Executive shall vest in those RSUs as would have vested during remaining employment period and term of the Consulting Agreement. In the case of failure to complete the remaining period of employment by the Company or termination of the Consulting Period for any reason other than those provided in the preceding sentence, no vesting of RSUs shall be received with respect the remaining employment period or term of the Consulting Agreement. On the condition that a Change of Control, as defined in paragraph 1(b) of the 2019 Severance Agreement, occurs prior to or within six (6) months following the termination of the Consulting Period and the Executive (or his executor or personal representative in the event of Executive's death) has signed and not revoked a general release of claims, all RSUs granted by the Company to the Executive prior to the Change of Control which are outstanding and unvested shall accelerate and become 100% vested. If no Change of Control shall occur prior to the end such six (6) month period, the unvested RSUs granted to such Executive shall be forfeited and terminated.

10. **Continued Rights to Severance.** If Executive does not complete the remaining period of employment by the Company or the term of his Consulting Agreement, attached hereto as Exhibit A, reason other than by reason of a termination by the Company for "Cause" as defined in paragraph 1(a) of the 2019 Severance Agreement, he will remain entitled to the severance benefits provided for in Section 5 through and including Section 8 of this Agreement, as well as the benefits provided for in Section 9 of this Agreement (to the extent provided in Section 9), on the condition that Executive signs and does not revoke a general release of claims against the Company.

11. **Release of all Claims.** Except as otherwise set forth in this Agreement, Executive hereby releases, acquits and forever discharges the Company and each of its employees, officers, directors, shareholders, agents, predecessors and successors in interest, parents, subsidiaries, attorneys, and assigns, ("**Company-Affiliates**") of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities, and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts, omissions, or conduct at any time prior to and including the Effective Date of this Agreement. This general release includes, but is not limited to: (i) claims and demands arising out of or in any way connected with your employment with the Company, or the termination of that employment; (ii) claims or demands related to your compensation or benefits with the Company, including but not limited to, wages, salary, bonuses, commissions, vacation pay, fringe benefits, expense reimbursements, incentive pay, severance pay, or any other form of compensation; (iii) claims pursuant to any federal, state or local law, statute, or cause of action including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees or other claim arising under the federal Age Discrimination in Employment in Employment Act, 29 U.S.C. §§621, et seq., (as amended by the Older Workers' Benefit Protection Act, 29 U.S.C. §626(f)), the federal Civil Rights Act of 1964, as amended; the federal Americans with Disabilities Act of 1990, as amended; the federal Family Medical Leave Act, as amended; the federal Worker Adjustment and Retraining Notification Act, as amended; the Employee Retirement Income Security Act of 1974, as amended; the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, California Fair Employment and Housing Act (Cal. Gov't Code §12900 et seq.); California Family Rights Act (Cal. Gov. Code §12945.2); California Spousal Military Leave Law (Cal. Mil. & Vet. Code §395.10); California WARN Act (Cal. Lab. Code §1400 et seq.); the California Labor Code, the California Private Attorney General Act; (iv) all tort claims, including without limitation, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all claims for breach of contract, wrongful termination, and breach of the implied

covenant of good faith and fair dealing, including claims arising out of an employment agreement, sales commission plan or incentive compensation plan applicable to your employment with the Company. To the extent permitted by law, Executive also promise never directly or indirectly to bring or participate in an action against the Company or Company-Affiliates under California Business & Professions Code Section 17200 or any unfair competition law of any jurisdiction.

Excluded from this Agreement are any claims, which by law cannot be waived in a private agreement between an employer and employee. The Release does not extend to claims for unemployment or workers' compensation benefits or waive the Executive's right to file an application for an award for original information submitted pursuant to Section 21F of the Securities Exchange Act of 1934. Moreover, this Release does not prohibit Executive from filing a charge with the Equal Employment Opportunity Commission (the "EEOC") or the Department of Fair Employment and Housing or participating in an EEOC or state agency investigation and does not prohibit Executive from cooperating with an investigation by those or any other federal, state or local agency. Executive agrees to waive his right to monetary or other recovery from the Company should any claim be pursued with the EEOC, state agency, or any other federal, state or local administrative agency on his behalf arising out of or related to his employment with and/or separation from the Company. Nothing in this Agreement is intended to release or waive any rights you may have (i) under COBRA, (ii) to unemployment insurance benefits, (iii) to indemnification for any liabilities, attorney's fees, costs and/or expenses pursuant to any applicable statutes including Labor Code section 2802, Certificates of Incorporation, By-laws or insurance policies of the Company, its affiliates or subsidiaries, or (iv) to enforce the terms of this agreement.

12. **Release of unknown Claims.** To the maximum extent permitted by law, Executive agrees that the Releases described in Section 11 extends to all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected. Executive expressly waive the provisions of Section 1542 of the Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

13. **No Release of Future Rights.** The Release does not waive any rights or claims that the Executive might have arising after the date the Executive signs this Agreement.

14. **No Pending Claims or Actions.** The Executive promises and states that the Executive has not given or sold any claim discussed in this Agreement to anyone and that the Executive has not filed a lawsuit, claim, or charge with any court or government agency asserting any claims that are released by the Release. Without limiting the generality of the foregoing, the Executive agrees that the Executive will not bring or participate in any class action or collective action against the Company which asserts, in whole or in part, any claim(s), which arose prior to the date this Agreement, is signed by the Executive, whether or not such claims are covered by the Release.

15. **Non-Disclosure of Proprietary Information.** The Executive promises and agrees that he will not, except upon written authorization from the Company or as required by law, disclose any confidential or proprietary non-public information belonging to or concerning the Company, and/or Company-Affiliates, vendors, or customers, including, without limitation, financial data, business and marketing plans, budgets, personnel information, product designs and specifications, research and development plans and budgets, technical drawings and specifications, manufacturing methods, technical know-how or other trade secrets. The Executive acknowledges and reaffirms in its entirety the Proprietary Information and Inventions Agreement executed upon commencement of his employment (the "IP Agreement"). Nothing in this Agreement is intended to or shall be construed to modify, impair or terminate any obligation of the Executive pursuant to the IP Agreement that by the terms of the IP Agreement, such terms continue after Executive's separation from the Company's employment. Notwithstanding anything contained in this Agreement or the IP Agreement, the Executive may disclose Confidential Information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Nothing in this Agreement or the IP Agreement is intended to conflict with Federal law protecting confidential disclosures of a trade secret to the Government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

16. **Confidentiality.** The Executive promises to hold the provisions of this Agreement in strictest confidence. The Executive may disclose this Agreement, in confidence, to his immediate family, to his attorneys, accountants, auditors, tax preparers and financial advisors, and as may be necessary to enforce its terms or as otherwise required by law. Otherwise, the Executive agrees not to publicize or disclose its terms to anyone, in any manner. In particular (but without limitation), the Executive agrees not to discuss the terms of this Agreement with former or current employees, clients, suppliers, subcontractors or other business contacts of the Company.

17. **No Assistance in Asserting Claims.** Executive agrees not to counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third Party against

the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless Executive is required to provide such assistance pursuant to subpoena, other court order or demand for cooperation from any local, state or federal agency; provided that Executive shall provide the Company with notice prior to Executive responding to any such demand.

18. **Non-Disparagement**. Executive agrees to refrain from any disparagement, defamation, libel or slander of the Company or Company-Affiliates or tortious interference with the contracts and relationships of the Company. The Company agrees to request all directors and executive officers as of the Termination Date to refrain from any disparagement, defamation, libel, slander of Executive; provided the Company shall not be restricted with respect to any legally required disclosures.

19. **Announcement of Executive's Departure**. The parties agree that they will issue a joint announcement stating that Executive will leave the Company, to reduce his workload as he heads to retirement. He has agreed to act as a consultant to assist the Company in its transition to a new Chief Financial Officer.

20. **Unemployment Insurance Benefits**. The Company agrees it will not contest a claim for unemployment insurance benefits should Executive elect to pursue such benefits.

21. **Choice of Law**. This Agreement is to be governed by California law. Taxes, Payments and benefits provided under this Agreement are taxable under the laws of the United States and the State of California and will be subject to all required withholdings and court ordered wage assignments and/or garnishments.

22. **Severability**. If any portion of this Agreement is found to be unenforceable, then both the Executive and the Company desire that all other portions that can be separated from it or appropriately limited in scope shall remain fully valid and enforceable.

23. **Arbitration**. Except as prohibited by law, any legal dispute between the Executive and the Company (or between the Executive and any Company-Affiliates, each of whom is hereby designated a third party beneficiary of this agreement regarding arbitration) arising out of the Executive's employment or termination of employment or this Agreement (a "**Dispute**") will be resolved through binding arbitration in Santa Clara, California in accordance with the then current Employment Dispute Resolution Rules (the "**Rules**") of the American Arbitration Association ("**AAA**"), which rules are available for review at www.adr.org and are incorporated herein by reference (the "**Rules**"). Judgment upon the award rendered by the arbitrator in such proceeding may be entered in any court having jurisdiction thereof, provided, however, that the law applicable to any issues regarding the scope, effectiveness or interpretation of this arbitration provision shall be the Federal Arbitration Act. The arbitration shall be conducted by a single neutral arbitrator selected by the parties from a list maintained by the AAA. Nothing in this arbitration provision is intended to limit any right the Executive may have to file a charge or claim with (or, to the extent not barred by the Release, to obtain relief from) the National Labor Relations Board, or other federal or state agencies. The Parties agree that such arbitration shall be conducted on an individual basis only, not a class, representative or collective basis, and hereby waive any right to bring classwide, collective or representative claims before any arbitrator or in any forum, except to the extent a representative action under the California Private Attorney General Act is, as a matter of law, not deemed subject to a such waiver. **THE PARTIES UNDERSTAND THAT BY AGREEING TO ARBITRATE DISPUTES THEY ARE WAIVING ANY RIGHT THEY MIGHT OTHERWISE HAVE TO A JURY TRIAL.** This arbitration provision is not intended to modify or limit substantive rights or the remedies available to the Parties, including the right to seek interim relief, such as injunction or attachment, through judicial process, which shall not be deemed a waiver of the right to demand and obtain arbitration. The costs associated with the arbitration proceeding (e.g., administrative fees of AAA and the fees of the arbitrator) shall be borne by the Company; any attorneys' fees shall be the responsibility of each party.

24. **Integration**. This Agreement and its Exhibits is intended by the Parties to be their final agreement with respect to the subject matter herein. The statements, promises and agreements in this Agreement may not be contradicted by any prior or contemporaneous understandings, agreements, promises or statements. The Parties agree that the promises contained herein supersede and extinguish those made in the 2019 Severance Agreement, except as set forth herein and the 2019 Severance Agreement is terminated. The Executive states and promises that in signing this Agreement he has not relied on any statements or promises made by the Company, other than the promises contained in this Agreement. Any changes to this Agreement must be in writing and signed by both Parties.

25. **Attorneys' fees**. If either Party files any arbitration, lawsuit, claim, or charge based on, or in any way related to, the Executive's employment with the Company, any claim that the Executive has released in the Release or the promises and agreements contained in this Agreement, the Party that wins the lawsuit or arbitration or prevails on the claim or charge will be entitled to recover from the other Party all costs it incurs, in connection with the dispute, including reasonable attorneys' fees.

This Section 25 shall not apply if the Executive asserts a claim under the Age Discrimination in Employment in Employment Act, 29 U.S.C. §§621, *et seq.*, (as amended by the Older Workers' Benefit Protection Act, 29 U.S.C. §626(f)), even though such claim is barred by the Release given by the Executive in this Agreement. This Section does not limit the completeness or finality of Release. It only limits the Company's remedies in the event that the Executive asserts certain claims barred by the Release.

26. **Successors and Assigns.** Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, personal and legal representatives, executors, administrators, heirs, distributes, devisees, and legatees, as applicable and with respect to Executive.

27. **Older Workers Benefit Act Acknowledgment.** The Executive acknowledges, represents and agrees, in compliance with the Older Workers' Benefit Protection Act:

a. The Executive has been fully informed and is fully aware of his right to discuss any and all aspects of this matter with an attorney of his choice ***and is specifically advised that he should seek such advice;***

b. The Executive has carefully read and fully understands all of the provisions of this Agreement;

c. The Executive has had up to and including a full twenty-one (21) days within which to consider this Agreement before executing it, unless by his own choice he has waived all or part of this period. Mutually agreed upon changes to this Agreement, whether material or immaterial, do not restart the twenty-one (21) day period;

d. The Executive has a full seven (7) days following the execution of this Agreement to revoke this Agreement, and has been and is hereby advised in writing that this Agreement shall not become effective or enforceable as to the Executive's rights under the federal Age Discrimination in Employment Act (29 U.S.C. section 621 et seq.) until the revocation period has expired (but shall be immediately effective as to all other claims). Any revocation shall be made in writing and delivered to Greg Zafiris, General Counsel, Pixelworks, 226 Airport Parkway, Suite 595, San Jose, CA 95110 on or before the seventh day following the Executive's execution of this Agreement; and

e. The Executive accepts the terms of this Agreement as fair and equitable under all the circumstances and voluntarily executes this Agreement.

28. **Advice of Counsel & Executive Acknowledgments.** Executive hereby acknowledges that he: (a) fully understands his right to discuss this Agreement with independent counsel of his choice, and is encouraged to do so; (b) has read and understands this Agreement and the legal effect of the waivers and releases contained herein; and (c) is entering into this Agreement knowingly and voluntarily of his own free will and without coercion, duress, fraud or undue influence of any kind whatsoever.

29. **Representations and Warranties.** The Executive represents and warrants that 1) the Executive has had the opportunity to discuss this Agreement with counsel, and 2) the Executive signs this Agreement of the Executive's own volition, without outside inducement or coercion, fully intending to be bound by its terms.

In order to bind the Parties to this Transition Agreement, the Parties, or their duly authorized representatives have signed their names below.

Pixelworks, Inc.

By /S/ Todd A. DeBonis

Todd A. DeBonis

President & Chief Executive Officer

Steven Moore, Executive

/S/ Steven Moore

12 September, 2019

Date Signed by Executive

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement"), dated as of this 4th day of October 2019 ("Effective Date"), is made by and between Steve Moore, an individual (the "Consultant") and Pixelworks, Inc. (the "Company") (individually each a "Party," and collectively the "Parties").

WHEREAS, Consultant previously served the Company's Chief Financial Officer; and

WHEREAS, the Company wishes to retain Consultant to provide advisory services on an as needed basis,

NOW, THEREFORE, in consideration of the promises made herein, the Parties hereby agree as follows:

1. Statement of Work. Consultant will advise the Company with respect to transition of Chief Financial Officer duties, providing historical context for Company financial issues and related activities. ("Deliverable Materials"). Consultant shall work on an as needed basis, but the work will not exceed 35 hours a month.
2. Term. The term of this Agreement shall commence on the Effective Date set forth above and shall expire on March 6, 2020, or such earlier date as the Agreement is terminated pursuant to Sections 13 and 14 below (the "Term").
3. Compensation. In consideration of Consultant's performance of these services, the Company agrees to pay Consultant one hundred nineteen thousand seven hundred forty dollars (\$119,740) for the services provided hereunder. Consultant shall invoice Company for fees under this Agreement on a monthly basis, in 5 equal installments. All invoices shall be due within 30 days of receipt.
4. Reimbursement for Expenses. All reasonable direct expenses necessarily incurred by Consultant in providing services hereunder are chargeable to the Company. Consultant may obtain reimbursement of such chargeable expenses by submitting expense reports with receipts or such other documentation as may be required under the Company's policies or under the terms of this Agreement. All other expenses incurred by Consultant in connection with providing services under this Agreement shall be the sole responsibility of Consultant.
5. Tools and Equipment. Consultant shall provide his own tools, equipment and materials for services to be rendered hereunder at his sole cost and expense.
6. Designated Facility. Consultant generally will perform services in his own facility. When the Consultant deems it necessary or appropriate to spend time in the Company's facility, the Company will provide the Consultant with space to work, but the Consultant will not have a regularly assigned workspace.
7. Independent Contractor Status. Contractor's relationship with Company will be that of an independent contractor, and nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture or employment relationship. Contractor will not be entitled to any of the benefits that Company may make available to its employees including, but not limited to, group health, life insurance, profit-sharing or retirement benefits, paid time off or paid holidays. Contractor will be solely responsible for, and will file on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state or local taxing authority with respect to the performance of services and receipt of fees under this Agreement. No part of Contractor's compensation will be subject to withholding by Company for the payment of any social security, federal, state or any other employee payroll taxes. Company will report amounts paid to Contractor by filing a Form 1099-MISC with the Internal Revenue Service as required by law.
8. Services for Others; Conflicts of Interest. Consultant shall be free to represent or perform services for other persons during the Term of this Agreement, provided that performance of such services does not interfere with Consultant's Duties. During the Term of this Agreement Consultant will not enter into any contracts or do business with any person, firm or company which would conflict with or impair Consultant's performances of the services contemplated by this Agreement. Consultant acknowledges that the Company may, in reliance of this Agreement, provide the Consultant access to trade secrets and other confidential data and good will. As more fully set forth below Consultant agrees to retain said information as confidential and not to use said information on his or her own behalf or disclose same to any third party. The Consultant also agrees to take reasonable security measures to prevent accidental disclosure.
9. Ownership of Work Product. All records, databases, forms, summaries, information, data, computer programs and other material originated or prepared by Company and delivered to Consultant for use in the performance of the services hereunder (the "Company Materials") shall remain the exclusive property of Company, and Consultant shall acquire no right, title

or interest in an to any such Company Materials. Consultant shall not disclose such Company Materials to third parties without the prior written consent of Company and shall return all copies of Company Materials to Company promptly upon completion of the ser-vices or upon Company's prior request.

10. Confidentiality. As used in this Agreement, the term "Confidential Information" refers to any and all information relating to Company that Consultant acquires as a direct or indirect result of Consultant's activities under this Agreement, including but not limited to, products, research and development, billing and account data, customer lists, business information, technical information, computer programs and systems, secrets, specifications, drawings, sketches, models, samples, tools, records, information pertain-ing to Company's software and hardware systems, inventions, mask works, trade secrets, ideas, processes, formulas, source and object codes, know-how, improvements, discoveries, developments, designs, techniques and any other information concerning Company which it deems confidential or proprietary. Consultant agrees that such Confidential Information shall not be revealed by Consultant to anyone outside Company without the prior written consent of Company, and such Confidential Information shall be used by Consultant only in performing Consultant's obligations here-under. All such information shall remain Company's property, and that all copies of the same on computer disc or in written, graphic or tangible form shall be returned to Company upon completion of each project. Nothing in this Agreement, however, shall confer upon Consultant the obligation to preserve the confidentiality of any information that: (a) was known to Consultant prior to the date such infor-ma-tion was disclosed to Consultant under this Agreement free of any obligation to keep it confidential; (b) is distributed by Company to third parties without any restrictions as to confidentiality; (c) is or becomes publicly available, other than by unautho-rized disclosure by Consultant; or (d) is rightfully disclosed to Consultant by a third party without any restrictions as to confidentiality. Notwithstanding the foregoing, Consultant may disclose Confidential Information in confidence directly or indirectly to federal, state or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Consultant may also disclose Confidential Information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with Federal law protecting confidential disclosures of a trade secret to the Government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

Consultant understands and agrees that the obligations described in this section shall survive the termination or expiration of this Agreement.

11. Service Warranties. Consultant warrants and represents to Company that all services provided under this Agreement shall be performed in a timely and professional manner and that Consultant is competent, qualified and experienced to the extent necessary to perform such services.

12. Survival. The rights and obligations contained in the Confidentiality Agreement, Sections 9 and 10 (Ownership of Work Product and Confidentiality) including is subparts, and section 17 (arbitration) will survive any termination or expiration of this Agreement.

13. Termination by Company. Subject to the terms of paragraph 15, below, Company may terminate this Agreement at any time, with termination effective fifteen (15) days after Company's delivery to Contractor of written notice of termination. Company also may terminate this Agreement immediately upon Contractor's material breach of any provision under this Agreement.

14. Termination by Contractor. Contractor may terminate this Agreement at any time, with termination effective fifteen (15) days after Contractor's delivery to Company of written notice of termination. Contractor also may terminate this Agreement immediately for a material breach by Company of any provision of this Agreement. In the event of early termination, Contractor shall deliver to the Company all work product created through the termination date, including supporting notes, as a condition of payment.

15. Payments upon Involuntary Termination. Should this Agreement terminate prior to the end of the Term as a result of Consultant's death, disability or by the Company for a reason other than "Cause" as defined in paragraph 1(a) of the Executive's Amended and Restated Change of Control and Severance Agreement effective January 15, 2019, Executive shall be entitled to the remaining payments due under section 3, herein, as well as any rights provided by section 10 of the Transition Agreement.

16. Extension of Consulting Agreement. The Parties may extend this Agreement by mutual agreement in writing.

17. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Consulting Agreement, or the breach hereof, or the interpretation hereof, or any other dispute between Company (and its officers, directors, and managing agents) and Contractor shall be settled by arbitration before a single neutral arbitrator pursuant to the American Arbitration Association's ("AAA ")Commercial Arbitration Rules and Procedures with the arbitration to be held within 25 miles of Company's headquarters, unless otherwise mutually agreed. The arbitration shall be conducted by a single neutral arbitrator

selected by the parties from a list maintained by AAA. Judgment upon the award rendered in such arbitration shall be final and binding and may be entered in any court having jurisdiction thereof. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question, would be barred by the applicable statute of limitations. Nothing in this Section 17 is intended to prevent either Contractor or Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The costs associated with the arbitration proceeding (e.g., administrative fees of AAA and the fees of the arbitrator) shall be borne by the Company; any attorneys' fees shall be the responsibility of each party.

18. Insurance. Consultant understands and agrees that as an independent contractor, Consultant is responsible for maintaining adequate insurance coverage for Consultant and, if appropriate, for all of Consultant's employees, representatives, and agents.

19. Compliance with Laws and Rules. Consultant agrees to comply fully with any and all of the Company's reasonable rules and regulations that relate to any of Consultant's activities as to which it has been given advance notice. Consultant shall secure and maintain in force all licenses and permits required of Consultant by law or regulation (including any required business license), and Consultant shall fully comply with all federal, state and local laws, ordinances and regulations applicable to Consultant.

20. No Breach of Consultant's Other Agreements. Consultant represents that performance under this Agreement does not and will not breach any agreement Consultant has with any third party. Consultant represents that there are no other agreements, written or oral, conveying to any third party any rights in any research or other work to be conducted by Consultant under this Agreement.

21. Assignment. This Agreement may not be assigned in whole or in part by Consultant without the express written consent of the Company.

22. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

23. Notice. Any notice required or permitted to be given by the Company under this Agreement shall be in writing and shall be deemed received and sufficient when delivered personally or sent by telecopy or seventy-two (72) hours after being deposited in the U.S. mail or with a courier service. Any notice required or permitted to be given by Consultant under this Agreement shall be in writing and shall be deemed received and sufficient when received by the Company. The parties hereto agree that all such notices shall be delivered to the addresses specified below:

For Consultant:

Steven Moore
[*]

For Company:

Chief Executive Officer
Pixelworks, Inc.
226 Airport Parkway, Suite 595
San Jose, CA 95110

24. Entire Agreement. This Agreement sets forth the entire understanding of the Parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matter hereof, and may not be changed except in a writing signed by the Parties. No representation, promise, inducement or statement of intention has been made by either Party which is not embodied herein.

25. Waiver. No provision of this Agreement shall be deemed waived, amended or modified by either Party, unless such waiver, amendment or modification is in writing and is signed by the Party against whom it is sought to be enforced.

26. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written.

Pixelworks, Inc.

Dated: 12 September 2019

By: /S/ Todd A. DeBonis
Todd A. DeBonis
President & Chief Executive Officer

Steven Moore

Dated: 12 September 2019

By: /S/ Steven Moore



Pixelworks Appoints Elias Nader as Chief Financial Officer

SAN JOSE, Calif., September 16, 2019 - Pixelworks, Inc. (NASDAQ: PXLW), a leading provider of power-efficient visual processing solutions, today announced the appointment of Elias N. Nader as chief financial officer, effective September 16, 2019. Nader succeeds Steven L. Moore, who previously held the role for more than 12 years. Moore will remain engaged as a consultant to the Company through February 2020 to assist with the transition.

Nader is an accomplished senior executive with over 25 years of experience in finance, accounting and C-level leadership, having most recently served as the interim president and CEO of Sigma Designs, Inc. He also served as the company's chief financial officer during his tenure at the company, in addition to being appointed to the Board of Directors of Sigma Designs in early 2018. Before joining Sigma Designs, Nader was the chief financial officer for Imperial Holding as well as a financial consultant to several global companies in Europe and the Middle East. He previously held positions as corporate controller of Dionex Corporation, which was acquired by Thermo-Fisher, and vice president of finance at InterWave Communications, which was acquired by Alvarion, Inc., as well as served in a number of roles with leading companies such as Adaptive Broadband, Price Waterhouse Coopers (PWC), VeriFone and Seagate. Nader currently serves as a member of the audit committee on the Board of Directors of LMP Motors, based in Florida. From 2016 to 2018, he was a member of the audit committee on the Board of Directors of YuMe, Inc., which was acquired by RhythmOne. Nader is a graduate of San Jose State University.

"Elias is a highly capable executive and a strong addition to our senior leadership team," stated Todd DeBonis, President and CEO of Pixelworks. "In addition to his considerable financial background and a solid understanding of display technologies and end markets, he brings extensive experience in leading global organizations. Elias is joining Pixelworks at a pivotal and exciting time, as we continue to gain momentum around our mobile initiatives and drive the Company toward the next level of growth. It's my pleasure to welcome Elias to the team, and I'm excited about the contributions he will make to the Company's future success."

Mr. DeBonis further commented, "I also want to take this opportunity to thank Steve for his substantial contributions and many years of dedicated service to Pixelworks. Steve has been a strong steward of the Company's financial operations for more than a decade, and he played an important role in helping Pixelworks to reach the pivotal position it is at today. I look forward to working closely with him as we transition the CFO role to Elias, and we wish Steve the very best in his future endeavors."

About Pixelworks

Pixelworks provides industry-leading content creation, video delivery and display processing solutions and technology that enable highly authentic viewing experiences with superior visual quality, across all screens - from cinema to smartphone and beyond. The Company has a 20-year history of delivering image processing innovation to leading providers of consumer electronics, professional displays and video streaming services. Pixelworks is headquartered in San Jose, CA. For more information, please visit the company's web site at www.pixelworks.com.

Note: Pixelworks and the Pixelworks logo are registered trademarks of Pixelworks, Inc.

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Safe Harbor Statement

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be identified by use of terms such as “begin,” “continue,” “will,” “expect,” “believe,” “anticipate” and similar terms or the negative of such terms, and include, without limitation, statements about the Company’s mobile initiatives and growth, and the CFO transition. All statements other than statements of historical fact are forward-looking statements for purposes of this release. Such statements are based on management’s current expectations, estimates and projections about the Company’s business. These statements are not guarantees of future performance and involve numerous risks, uncertainties and assumptions that are difficult to predict. Actual results could vary materially from those contained in forward looking statements due to many factors, including, without limitation: our ability to execute on our strategy; competitive factors; the success of our products in expanded markets; current global economic challenges; changes in the digital display and projection markets; seasonality in the consumer electronics market; our efforts to achieve profitability from operations; our limited financial resources and our ability to attract and retain key personnel. More information regarding potential factors that could affect the Company’s financial results and could cause actual results to differ materially from those discussed in the forward-looking statements is included from time to time in the Company’s Securities and Exchange Commission filings, including its Annual Report on Form 10-K for the year ended December 31, 2018 as well as subsequent SEC filings. The forward-looking statements contained in this release are as of the date of this release, and the Company does not undertake any obligation to update any such statements, whether as a result of new information, future events or otherwise.