



MICREL, INC.
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Micrel, Incorporated

Worldwide Standards of Business Conduct

Policy

Micrel, its subsidiaries, employees, and affiliates shall endeavor to maintain the highest standard of ethical conduct in all activities. We shall maintain a reputation founded on the personal integrity of the Company's personnel and our dedication to:

Fairness to shareholders, customers, suppliers and our fellow employees;

Respect for shareholders, customers, suppliers and our fellow employees;

Quality in products and services by striving to provide world class products and services to our customers;

Competition in a free market as the best mechanism for producing new ideas and new products.

All employees and supervisors, regardless of level, shall endeavor:

- to respect each representative of customers, suppliers, contractors and each employee, as an individual, showing courtesy and consideration and fostering personal dignity;
- to make a commitment to and demonstrate equal treatment to all customers, suppliers, contractors and employees, without regard to race, color, religion, national origin, mental or physical disability, sex, or age.

Obeying the Law

The Company and its employees have an ethical obligation to obey the law. Obeying the law is in the best interest of the Company, its employees and its shareholders. In addition, neither the Company nor its employees shall assist any third party in violating the laws of any country, whether or not such assistance would itself violate the laws of any country. Furthermore, the Company endeavors to measure its policies and decisions against a high standard of moral ethics to determine if its decisions are right or wrong, as well as whether they are legal or illegal. While it is not possible to cover in this brochure every situation that might arise, but the spirit of the law and moral ethics should govern all employee activities. Any questions concerning a specific situation should be directed to the employee's supervisor or the Company's legal counsel.

Confidential Information

The Company's confidential proprietary information is an important asset in the operation of the business. The unauthorized use or disclosure of this information is prohibited. Confidential information includes all non-public information within the Company including, but is not limited to the following:

- any information related to unannounced products, trade secrets, patentable inventions, or intellectual property
- engineering material (drawings, specifications, software, hardware, etc.)
- business plans
- marketing and sales information
- financial and cost information
- employee information and records
- operating reports
- information concerning litigation and claims against the Company
- audit and security information
- company phone books, lists, and organizational charts
- third party data and information entrusted to the Company

The Company implements security processes and procedures to protect its assets. These measures are established to minimize the loss of assets. Employees shall not modify, tamper, or remove any security measures without proper authorization. Employees must return all company property and proprietary or confidential information upon leaving the Company.

Conflicts of Interest

Each employee has a duty of loyalty to the Company. In fulfilling this duty, each employee shall avoid any activity or interest that conflicts with, appears to conflict with, or is inconsistent with or opposed to the best interests of the Company, or the employee's ability to devote their full attention to their job at Micrel. No employee shall engage in any activity for personal gain that creates a conflict or the appearance of a conflict with his or her responsibilities at Micrel. Any activity in which an employee intends to engage, and which is a potential conflict of interest, must be approved by the employee's department Vice President and the Company President. Any potential conflict of interest involving an officer or member of the Board of Directors must be approved by the President and the Board of Directors.

Conflicts of interest may arise in a variety of situations, including, but not limited to, the following:

- Interest in Other Businesses – Employees should not have any material financial interest with a present customer, competitor or supplier that could cause divided loyalty or the appearance of divided loyalty, or where there is a possibility that the interest could influence them in their responsibilities at the Company. An employee should not conduct Company business with a person with whom the employee is related by blood or marriage, without prior written approval of the department Vice President.
- Moonlighting – Employees may not maintain outside employment, or engage in outside work or services for a customer, competitor or supplier. Employees may engage in other outside business activities with the written approval of the department Vice President.

Gifts

From time to time, employees may be offered unsolicited gifts or gratuities, or may offer gifts or gratuities, to aid in building legitimate business relationships. Gifts and gratuities include anything of value, including souvenirs, meals, tickets, entertainment, discounts, travel expenses, and items or services of a similar nature. Accepting or offering a gift or gratuity in a business setting, however, can create a sense of obligation or the appearance of obligation, as well as the appearance of or an actual conflict of interest.

To avoid such conflicts of interest, or the appearance of a conflict of interest, no employee or any member of the employee's family may accept gifts or gratuities or other favored treatment from any person associated with a customer or potential customer, competitor or vendor, if it can be viewed as resulting in an unfair business advantage. Employees acting on behalf of the Company may generally accept or offer gifts of nominal value or gifts bearing a company logo that are commonly regarded as promotional items

or tokens of appreciation. Common sense and moderation should prevail in entertaining customers on behalf of the Company. In addition, entertainment accepted from others must be on the same level of propriety and integrity.

Any gift having more than nominal value offered to or by an employee should be documented by the intended recipient and reported to the appropriate Vice President, or, if the recipient is a Vice President, to the President, prior to acceptance, so that an appropriate response can be made to the offer.

Special rules and restrictions apply to government employees, as well as government customers, suppliers and representatives, that may differ from ordinary commercial relations. Contact the Legal Department if you have any questions concerning commercial relations with government customers, suppliers or representatives.

Insider Trading

It is the policy of Micrel to prohibit: (1) trading in company securities while in the possession of material nonpublic information concerning the company; (2) trading in the securities of any other public company while possessing material non-public information concerning that company; and (3) tipping or disclosing material nonpublic information to persons outside the company. Any communications to persons outside the Company shall be made in accordance with Securities and Exchange Commission Regulation FD. The policy on insider trading applies to any and all transactions in the company's securities, including its common stock and options to purchase common stock, and any other type of securities that the company may issue, such as preferred stock, convertible debentures, warrants and exchange-traded options or other derivative securities. The company has adopted a restrictive insider trading policy set forth in Control Document number 100-1108, which prohibits trading based on material, nonpublic company information. Control Document number 100-1108 sets forth the trading window in which Company employees and members of the Board of Directors can trade shares of Company stock. The window is specified as the period beginning three business days after release of the Company's quarterly results, through the last day of the second month of the quarter. No trading is permitted outside this window. Employees should refrain from trading in the Company's securities, even during the trading window, if they are in possession of material nonpublic information concerning the company. From time to time, the Company may also recommend that directors, officers, selected employees and others suspend trading because of developments known to the Company and not yet disclosed to the public. In such an event, such persons are advised not to engage in any transaction involving the purchase or sale of the Company's securities during such period and should not disclose to others the fact of such suspension of trading.

Trade Regulations

Any action taken either individually, or in combination with others, which is predatory toward a competitor or by nature restrains competition, is most likely a violation of one or more antitrust laws. The following prohibitions, although not all inclusive, represent practices that are contrary to the policies of Micrel and must be avoided:

- Arrangements or understandings with competitors or potential competitors concerning prices of products or other competitive policies or practices are strictly prohibited.
- In any joint ventures or projects with competitive organizations, all discussions must be limited to the specific transactions involved.
- Participation in trade associations, seminars or other groups must not be, or even appear to be, an occasion for any discussion of competitive policies or practices.
- Arrangements or understandings with a particular competitor or customer not to deal with a particular customer or supplier are strictly prohibited.

- Agreements or understandings whereby Micrel customers agree with Micrel not to purchase the goods or services of a competitor of Micrel are strictly prohibited. Certain situations, such as exclusive distributor relationships and 100% requirement contracts with customers are acceptable. Contact the Company's legal counsel if you have any questions regarding trade restriction issues.

Kickbacks

In accordance with federal law, no Micrel employee may make or provide, or offer to make or provide, any kickback in any contract with a customer who is a prime contractor with the U.S. Government. Under the Federal Anti-Kickback Act, a kickback is any money, fee, commission, credit, gift, gratuity or anything of value which is provided to a prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. Moreover, kickbacks of any kind to or from individuals or companies who conduct business with Micrel are prohibited regardless of whether they are a prime contractor.

Bribes

No employee shall bribe any person or entity, public or private, anywhere in the world. In certain circumstances the Company may allow reasonable and customary "tips" to lower level governmental employees performing a routine governmental action, such as clerical or ministerial duties, that are given in strict accordance with Company procedures relating to gratuities. Such payment may be made only with the prior approval of the Chief Financial Officer or the General Counsel, but in no event shall any payment be made in violation of the United States Foreign Corrupt Practices Act.

Political Contributions

No Micrel employee or member of the Board of Directors shall make a political contribution, a commitment to contribute or a personal contribution on behalf of the Company without prior unanimous approval of the Board of Directors.

Reporting Concerns

Micrel is committed to preserving the principles described in these Worldwide Standards of Business Conduct and the Company expects every employee to follow them. If you observe conduct that may be illegal or unethical, or that may otherwise violate the Standards of Business Conduct, you have an obligation to report it to your management or to someone in Human Resources or the Legal Department, whichever is appropriate. Employees may anonymously report concerns relating specifically to questionable accounting, auditing or internal control matters by calling the Confidential Hotline at 1-888-569-9621. The Hotline is available 24 hours a day, seven days a week. If you are calling the Hotline from outside the U.S. or Canada, you can access the toll-free number by first dialing your [AT&T Access Number](#). In accordance with Micrel policy, no employee will suffer adverse employment consequences as a result of a good faith report of compliance or ethics concerns or violations.



All employees and board members will be required to read and acknowledge understanding of this policy.

The Company will require the CEO and all Vice Presidents, Directors, senior sales personnel and other selected personnel, as appropriate, to execute a document on an annual basis that affirms compliance with this policy.

Any violation of the policies and procedures contained in the Standards of Business Conduct will result in disciplinary action, up to and including suspension without pay and/or termination of employment. Should you have any questions concerning the information in this brochure, you are encouraged to speak with your supervisor or, if appropriate, to the Company's legal counsel.

All employees and board members will be required to read and acknowledge understanding of this policy.

As an employee or board member of Micrel, Inc. and/or its subsidiaries, I have read, understand and acknowledge the requirements contained within the Worldwide Standards of Business Conduct.

Signature

Date

Full Name (Printed)

