

# Code of Business Conduct and Ethics

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# Letter From the Chairman and CEO

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Dear National Employee,

Every day we are faced with a number of business decisions. What we decide and the way we decide it can affect the reputation and legal liability of the Company.

That is why National Semiconductor Corporation is committed to making business decisions that comply with the letter and spirit of laws and regulations that apply to our business. All of us must act ethically and honestly in all business practices.

This *Code of Business Conduct and Ethics* is an essential part of our Business Conduct and Ethics Program and was developed to provide each of us with the information and support necessary to act ethically and within the laws that affect our business. The principles outlined in the Code provide the foundation for understanding how to handle most business situations in the honest and professional manner expected of every National employee.

The *Code* cannot address every decision that you may face during your career at National. It should serve as a guide and should be kept for future reference. Ultimately, we must be responsible for our own actions, which include a responsibility to seek advice from management or the Office of Business Conduct and Ethics, when appropriate.

Remember, know what is right and do what is right.

Sincerely,



Brian Halla  
Chairman, and Chief Executive Officer

“...know what is right  
and do what is right.”



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## Policy Statement



It is the policy of National Semiconductor Corporation (“National” or the “Company”) to conduct its affairs in accordance with all applicable laws and regulations of the jurisdictions in which it does business. This Code of Business Conduct and Ethics applies to the Company’s employees and to its non-employee directors. Some provisions apply particularly to a class of employees labeled as “Designated Executives.” These include the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. The Code is designed to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- the prompt reporting to the appropriate person of violations of laws, rules, regulations and this Code and other Company policies; and
- accountability for adherence to this Code.

National has established standards for behavior that affect the Company, and both employees and non-employee directors should comply with these standards. The Company promotes ethical behavior and encourages employees to talk to supervisors, managers, the National Office of Business Conduct and Ethics, or other appropriate personnel when in doubt about the best course of action in a particular situation. Non-employee directors are encouraged to talk to the Chairman of the Board and/or to the Chairman of the Director Affairs Committee in such situations.

# *leadership*

# respect

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Additionally, you should report violations of laws, rules, regulations, this Code or other Company policies to appropriate personnel. No one will be subject to retaliation for reporting such violations in good faith. Anyone aware of a situation that he or she believes may violate or lead to a violation of this Code should follow the guidelines under *“Compliance and Reporting.”*

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide you. Specific Company policies and procedures provide details pertinent to many of the provisions of the Code. You are expected to be aware of, and to act in accordance with, both the Code and the Company’s other policies and procedures at all times. National’s Business Conduct and Ethics website provides further information, resources and guidance on many of the topics covered by this Code. Although there can be no better course of action than to apply common sense and sound judgment, do not hesitate to use all available resources whenever it is necessary to seek clarification.



# Approvals and Waivers; Amendments; Interpretation

Certain provisions of this Code require you to act, or refrain from acting, unless prior approval is received from the appropriate person. Approvals relating to Designated Executives and non-employee directors must be obtained from the Audit Committee of the Company's Board of Directors. All other approvals must be granted by the Office of Business Conduct and Ethics and in some instances as specified in this Code, the approval of another officer and/or department may be required. Employees may contact the Office of Business Conduct and Ethics for additional information on obtaining approvals. All such approvals should be requested in writing.

Other provisions of this Code require you to act, or refrain from acting, in a particular manner and do not permit exceptions based on obtaining a approval. Waiver of those provisions may only be granted by the Audit Committee, and changes in this Code may only be made by the Board of Directors. Waivers are material departures from any provision of this Code. All waivers granted to Designated Executives, other executive officers and directors must be disclosed promptly to the Company's stockholders.

In some situations it may not be clear whether a provision of this Code is intended to apply to particular conduct. In such situations, the Board of Directors and the Audit Committee have full power and authority to interpret the Code in a manner that they believe reflects the intent of the Board, and no determination that the Code was not intended to apply to such conduct shall be deemed to be a waiver of the Code's prohibitions.

*approvals*



# Conflicts of Interests

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Conflicts of interest are prohibited. A conflict of interest arises any time your personal interests or activities interfere with your ability to act in the best interests of the Company. All employees, including Designated Executives, must discharge their responsibilities solely on the basis of what is in the best interests of the Company and independent of personal consideration or relationships. Non-employee directors must discharge their fiduciary duties as directors of the Company. Employees must disclose any potential conflicts of interest to the Office of Business Conduct and Ethics, which will advise the employee whether or not the Company believes a conflict of interest exists. Designated Executives and non-employee directors must disclose any potential conflicts of interest to the Audit Committee, which shall determine whether a conflict of interest exists. Any potential conflicts of interest involving your spouse, siblings, parents, in-laws, children, life partner and members of your household must also be disclosed.

## Activities Outside the Company

Although National has no interest in preventing employees from engaging in lawful activities during non working hours, employees must make sure that their outside activities do not conflict or interfere with their responsibilities to the Company. For example, without approval by the Company a National employee generally may not:

- engage in self-employment or perform paid or unpaid work for others in a field of interest similar to National;
- use proprietary or confidential Company information for personal gain or to the Company's detriment;
- use Company assets or labor for personal use, except for incidental use permitted under the Company's policies;
- acquire any interest in property or assets of any kind for the purpose of selling or leasing it to the Company; or
- serve on the Board of Directors of a public company or on the Customer Advisory Board or Technical Advisory Board of any for-profit enterprise (see section below on "*Service on Outside Boards of Directors*");
- perform the work of another organization on National time.

# Conflicts of Interests

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## Community Activities

National encourages you to be actively involved in your communities through volunteer service to charitable, civic and public service organizations, and through participation in the political process and trade associations.

Employees must make sure, however, that their service is consistent with their employment with National and does not pose a conflict of interest. This is particularly important before accepting any leadership position (such as membership on the board of a charitable or civic organization), before seeking or accepting political office, or before soliciting a charitable contribution.

## Service on Outside Boards of Directors

Serving as a director of another corporation may create a conflict of interest. Employees must disclose such service to the Office of Business Conduct and Ethics and obtain prior approval before serving on the board of another company, whether or not such company is a competitor of National. Non-employee directors must disclose service on other boards to the Director Affairs Committee and to the Company's General Counsel, who will conduct a review to ensure legal requirements are met. The Director Affairs Committee will make the final determination whether service on other boards by Designated Executives constitutes a conflict of interest.

## Competitor Relationships

Employees must avoid even the appearance of a conflict of interest in their relationships with competitors. Without approval employees may not:

- make or maintain a financial investment in a competitor, except for investments in publicly traded corporations not exceeding 2% of the outstanding common stock;
- provide compensated or uncompensated services to a competitor, except for services rendered under a valid National contract with the competitor;
- disclose any Company proprietary information to a competitor, unless a nondisclosure agreement signed by the Company is in place; or
- utilize for any unauthorized purposes or disclose to a competitor or other third-party any proprietary data that has been entrusted to the Company by a customer or supplier.

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## Corporate Opportunities & Resources

You are prohibited from taking for yourself or giving to others personal opportunities that are discovered through the use of corporate property, information or position without approval. Without approval, you may not use corporate property, information or position for personal gain. No employee may compete with the Company directly or indirectly except as permitted by Company policies.

National may be entrusted with property or valuable information belonging to customers, suppliers, the Company's employees, or other persons. Without approval, you may not use for personal gain any property or valuable information provided to National by customers, suppliers, the Company's employees, or other persons.

All employees and non-employee directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Company assets should be used for legitimate business purposes, although minor Company resources may be used for personal purposes so long as such use is reasonable, does not cumulate to significant or abusive levels, does not interfere with your duties, is not done for pecuniary gain, does not conflict with the Company's business and does not violate any Company policy. You may never use for personal purpose any property or valuable information entrusted to the Company which belongs to customers, suppliers, the Company's employees, or other persons.

## Indirect Interests and Relationships

A conflict of interest can also arise because of the business activities of your close relations. For example, an employee may have a potential conflict of interest wherever a close relative has a significant relationship with, or has a significant financial interest in, any supplier, customer or competitor.

You should not make or attempt to influence any decision that could directly or indirectly benefit your close relative. To protect yourself and the Company from the appearance of a conflict of interest, you should disclose the interest to the Office of Business Conduct and Ethics if you are an employee other than a Designated Executive. If you are a non-employee director or Designated Executive, you should make disclosure to the Audit Committee.

*integrity*

# Business Relationships

**N**ational seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. You must deal fairly with the Company's customers, suppliers, competitors and employees and you must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.



## Customer Relationships

Our customers are of the utmost importance to National. You should always treat customers and potential customers according to the highest standards of business conduct.

Employees should follow the following guidelines in selling our products and services:

- sell on the strength of our Company and our products and services;
- do not make claims about our products or services unless the claims can be made in good faith;
- avoid making disparaging comments about the products and services of competitors unless they can be substantiated;
- if a potential customer has a contract with a competitor, or has placed a firm order with a competitor, do not try to convince the customer to breach that contract or order;
- to maintain the Company's valuable reputation, compliance with quality processes and safety requirements is essential. National's products and services must be designed and manufactured to meet our obligations to customers. All inspection and testing must be handled in accordance with all applicable requirements and specifications. Product documentation, including inspection and testing documentation, must comply with and be handled in accordance with all applicable requirements; and
- employees involved in proposals, bid preparations or contract regulations should strive to ensure that all statements, communications, and representations to prospective customers are truthful and accurate.

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## Suppliers

National's suppliers—companies and individuals that sell products and services to National—are important to our business. National employees should always treat suppliers and potential suppliers in accordance with the highest standards of business conduct.

Suppliers should be selected on the basis of objective criteria, such as value (quality for price), price, technical excellence, service reputation and production/service capacity. Purchasing decisions must be made with integrity, honesty, independence, and unbiased judgment.

Employees working with current suppliers should never intentionally interfere with a supplier's contracts or business relations with a competitor of National.

Individuals with procurement responsibility should review the sections of this Code concerning fair competition and should be familiar with applicable laws and Company policies.

## Sales Agents, Representatives, Distributors, and Consultants

Agreements with sales representatives, agents, marketing consultants, distributors and other parties, must adhere to National policy and applicable U.S. and foreign laws and regulations.

## Contracts and Commitments

No employee may enter into any agreement binding National without express authorization. The Company has instituted contract and signature approval policies which identify those individuals who have the authority to approve and sign certain contracts binding National and its subsidiaries. If there are any questions about which employees have signature authority for a given contract, contact the Office of Business Conduct and Ethics.



*accountability*

## Fair Competition

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**F**air competition laws, including the U.S. antitrust rules, limit what National can do with another company and what National can do on its own. Generally, the laws are designed to prohibit agreements or actions that reduce competition and harm consumers. You may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers. You must take special care in collecting competitive information to ensure fair competition laws are not violated. U.S. and foreign antitrust laws also apply to imports and exports.

*fairness*



# Gifts, Gratuities, Entertainment, and Other Considerations

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Use of Company funds or other Company property for illegal, unethical or otherwise improper purposes is prohibited. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and a sound working relationship, not to gain personal advantage with customers or suppliers.



## Gifts

Except as set forth below, without approval by the Office of Business Conduct and Ethics, employees and non-employee directors should refrain from giving and receiving business-related gifts.

- You may not solicit or accept a gift (including any payment, compensation, loan or other financial favor) to or from a person or organization with the intention of influencing the recipient’s business judgment or conduct relating to National. Giving or accepting unsolicited gifts having a nominal value where there is a business benefit or purpose for the gift and any benefits received which do not influence, or appear to influence, selection and purchasing decisions is permitted. In some countries, gifts having a greater value are customary and may be given or accepted with the approval of the Office of Business Conduct and Ethics.
- It is never appropriate or permissible to accept or give cash or a cash equivalent from or to a vendor, supplier or customer outside the Company’s normal business. Cash equivalents include, among other things, checks, money orders and vouchers.
- Rules relating to U.S. and foreign government personnel are more stringent. See *“Doing Business Internationally”* and *“Government Contracting”*.
- No employee may accept a customer, vendor or supplier discount unless it is generally available to the public or is otherwise approved.

# Gifts, Gratuities, Entertainment, and Other Considerations

## Loans

Employees may not accept loans from any person or entities having or seeking business with the Company. Designated Executives, other executive officers and Non-Employee Directors may not receive loans from the Company, nor may the Company arrange for any loan.

## Meals, Entertainment, and Travel



Employees may provide or accept meals and entertainment, including attendance at sporting or cultural events, as long as it is associated with an occasion at which business is discussed and is provided as a normal part of business. The value of the activity must be reasonable and permissible under National's expense account procedures. Employees must insure that such activities are necessary, that they are properly documented, and that their value and frequency are not excessive under all the applicable circumstances. In addition to expense account reimbursed entertainment, you may entertain socially friends or relatives doing

business with the Company and these occasions need not be documented provided that expenses for this entertainment are not reimbursable by the Company.

Rules relating to U.S. and foreign government personnel are more stringent. See "*Doing Business Internationally*" and "*Government Contracting*"

# *responsibility*

# professionalism

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## Investment Activities

Unless pre-approval is obtained, employees may not:

- participate in so-called “directed shares,” “friends and family,” and similar stock purchase programs of customers, vendors or suppliers of National;
- invest in non-public companies that are, or are likely to be, customers, vendors or suppliers of National; or
- invest in non-public companies in which National has made or is expected to make an investment.

Investments that you do not personally control, such as investments by funds or discretionary accounts that do not consult you before making an investment decision, are exempt from this requirement.

Non-Employee Directors who become aware that any of their personal investments fall into the above categories should disclose such to the Audit Committee.

## Bribes and Kickbacks

The use of Company funds, facilities or property for any illegal or unethical purpose is strictly prohibited.

- You are not permitted to offer, give or cause others to give, any payments or anything of value for the purpose of influencing the recipient’s business judgment or conduct in dealing with the Company other than facilitating payments discussed in “*Doing Business Internationally*”;
- You may not solicit or accept a kickback or bribe, in any form, for any reason.

# Doing Business Internationally



National is committed to the highest business conduct standards wherever it operates. National observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to doing business in the worldwide marketplace, the following guidelines always apply:

- Observe all laws and regulations, both U.S. and non-U.S., that apply to business abroad.
- Paying bribes to government officials is absolutely prohibited, even if those bribes are common practice. You may not give, promise to give, or authorize the giving to a foreign official, a foreign political party, or official thereof or any candidate for foreign political office any money or offer, gift, promise to give or authorize the giving of anything of value to influence any act or decision, to induce such official, party or candidate to do or omit to do any act in violation of the lawful duty of such official, party or candidate, or to induce such official, party or candidate to use his or her influence with a foreign government or agency to affect or influence any act or decision of such foreign government or agency. (Note that bribes do not include facilitating payments to low-level non-U.S. governmental employees and officials for non-discretionary action which are discussed in the next section.)
- Do not cooperate with illegal boycotts.
- Observe all licensing requirements and the requirements of applicable import and export control laws.
- Do not enter into an agreement with an agent or consultant that relates to National's business outside the United States unless it has been approved by the Company.
- Observe all privacy and data protection laws and regulations of other countries (such as Japan, Hong Kong, Australia, Canada and Argentina) and authorities (such as the European Union).

The laws governing National's business in foreign countries are extensive and complex, and may be different from those in the United States. No new National services or products should be offered in any new country without prior approval, including approval by National's Export Compliance department, and then only in accordance with the applicable local country's regulations and requirements.

# compliance

## Facilitating Payments to Low-Level Non-U.S. Governmental Employees and Officials for Non-Discretionary Action

National is committed to complying with the laws of the countries where it operates. In some countries, a very limited category of small payments to facilitate or expedite routine nondiscretionary governmental actions may be permitted as exceptions to antibribery laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”). The requirements pertaining to payments such as these are complex. National employees engaged in international business activities must obtain prior approval from National’s General Counsel and the Office of Business Conduct and Ethics before making any such payment.

These “facilitating payments” to non-U.S. governmental officials are distinguished from payments made to influence a discretionary decision or to cause violation of, or an act in conflict with, the interests of an individual’s employer, which are strictly prohibited. Once each year, the manager of each business unit must certify that they have no knowledge of any improper payments made or received by anyone within their group.

## Import and Export Regulation/Trade Compliance

Because of the international nature of our business, National is subject to the import and export laws and regulations of the United States and certain foreign governments. These laws and regulations govern the international transfer of all products and services of National, as well as technology, information and ideas belonging to National.

Under U.S. law, no technology may be exported without the proper government export licenses and documentation. Exports of technology include not only technology shipped via freight, but also technology that is hand-carried (employees traveling overseas), sent via courier services or U.S. mail, electronically transmitted, and/or disclosed to foreign nationals in the United States or abroad. “Technology” includes hardware, software, technical documentation, product specifications, technical data, as well as the ideas behind them.

It is your responsibility to ensure that proper documentation accompanies each export or disclosure. Failure to export or re-export without the proper export license or documentation can jeopardize National’s compliance with U.S. export laws, as well as those laws of foreign countries. Non-compliance can result in denial of export privileges, criminal penalties, seizure of products, and fines to National and its employees.



# Doing Business Internationally

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It is National's policy to comply fully with all applicable U.S. and foreign laws controlling the export and re-export of products, technology (including software) and services. You must exercise the necessary diligence to ensure that National complies with all applicable U.S. and foreign government regulations regarding exports.

## Antiboycott Compliance

The United States has enacted antiboycott regulations that make it unlawful for U.S. persons to participate in any activity that could have the effect of promoting or supporting a boycott or restrictive trade practice of another country against customers or suppliers located in a country friendly to the U.S. or against a U.S. person, firm or corporation. Boycott issues arise most frequently in connection with the Arab boycott of Israel. Prohibited actions include, but are not limited to, furnishing information about business relationships with boycotted countries, or information about race, religion, sex or national origin. You need to be sensitive to requests for such information. Any request for such information or to participate in boycott activities should be immediately reported to National's General Counsel as well as the Office of Business Conduct and Ethics. Violation of the antiboycott regulations can lead to significant sanctions, including fines, prison terms, and denial of export privileges.

## Privacy and Data Protection Compliance

Several countries (including Canada, Argentina, Japan, Hong Kong and Australia) and the European Union have strict rules with respect to collection of personal information about individuals, which apply to companies that collect information about their employees. Personal information may include information that would be routinely gathered in the U.S. such as home address, contact information, and personnel information. Many of these rules prohibit transmission of personal information about individuals from outside the U.S. into the U.S., unless certain safeguards are provided with respect to the personal information transmitted into the U.S. All employees outside the U.S. should use care with respect to collection, storage and transmission of any personal information to ensure compliance with applicable privacy and data protection laws and regulations. All employees inside the U.S. should use care with respect to receiving or obtaining any personal information from locations outside the U.S. All employees in any location should raise any questions about appropriate treatment of personal information with the Office of Business Conduct and Ethics.

# Government Contracting

**D**etailed laws and regulations govern virtually every aspect of doing business with the U.S. government and its agencies. Activities that might be permitted when working with the private sector may be improper or even illegal when a national or local government is the customer.

You must adhere to the highest standards of honesty and integrity in your relations with government officials and employees. You should observe the following principles when bidding or performing government contracts:

- Do not offer or provide meals, transportation, gifts or other consideration to government employees except as permitted under applicable law and Company policy.
- Obey the regulations governing current and post-government employee conflicts of interests. Obtain all appropriate government approvals prior to recruiting or hiring current or former government employees.
- Obtain appropriate licenses prior to exporting or even discussing certain technologies with citizens of other countries.
- Obey any requirements that may restrict access to source selection or competitive information.
- Do not misstate or omit any material information from written or oral communications when dealing with government agencies.

National employees who deal with government representatives are responsible for knowing and obeying the laws and regulations applicable to doing business with the U.S. government, as well as complying with all National specifications and policies regarding government business.

National employees and directors who hold security clearances granted by the U.S. government in connection with their work for National must comply with all limitations and requirements of the clearance.



*dignity*

## Political Contributions and Lobbying

No political contributions can be made using National funds or assets to any political party, political campaign, political candidate or public official in the United States or any foreign country, unless the contribution is lawful and expressly authorized. In addition, you may not make a political contribution on behalf of National or its subsidiaries, or with the appearance that such contribution is being made on behalf of National or its subsidiaries, unless expressly authorized. A “contribution” is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.

Nothing in this Code is intended to discourage you from making contributions of your own time or funds to political parties or candidates of your choice. However, you will not be compensated or reimbursed by National for any personal contributions.

You may not hire outside counsel or a public affairs firm to contact government officials regarding legislation, regulatory policy, or rule making on behalf of the Company unless you have obtained the appropriate approvals through National’s Government Affairs department and the Office of Business Conduct and Ethics. This includes grassroots lobbying contacts.



*satisfaction*

## Accuracy of Reports, Records and Accounts

Accurate and reliable records are of critical importance in meeting our financial, legal and business obligations. You are responsible for the accuracy of your respective records, time sheets and reports. Accurate information is essential to National's ability to meet legal and regulatory obligations and to compete effectively. The records and books of account of National must meet the highest standards and accurately reflect the true nature of the transactions they record. The Company has detailed financial accounting policies which must be complied with at all times to ensure that all financial reports and records fairly, completely, and accurately present the Company's results and financial situation. Destruction of any records, books of account or other documents except in accordance with National's document retention policy is strictly prohibited.



You must not create false or misleading documents or accounting, financial or electronic records for any purpose, and you may not direct an employee of National to do so. For example, expense reports must accurately document expenses actually incurred in accordance with National policies. You must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose. Employees are also responsible for accurately reporting time worked.

No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation or for any purpose other than as described in the documents. You must comply with generally accepted accounting principles and the Company's internal controls and financial accounting policies at all times.

Employees responsible for SEC reports must ensure that there is full, fair, accurate, timely and understandable disclosure in all SEC reports. Such employees should work closely with and review SEC reports with the Disclosure Controls Committee. All disclosure issues should be reported to and reviewed by the Disclosure Controls Committee.

## Government Investigations

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**Y**ou must promptly notify National's General Counsel of any government investigation or inquiries from government agencies concerning National. You should not destroy any record, books of account, or other documents relating to National except in accordance with the Company's document retention policy. In particular, if you are aware of any government investigation or inquiry, you should not destroy any record, books of account, or other documents relating to National unless advised by National's General Counsel and the Office of Business Conduct and Ethics that you may continue to follow the Company's normal document retention policy.

You must not obstruct the collection of information, data or records. The Company provides information to the government that it is entitled to during an inspection, investigation, or request for information. You must not lie to government investigators or make misleading statements. You must not try to cause any employee to fail to provide accurate information to government investigators.

*safety*

# Insider Trading: Communications With Third Parties

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If you have access to confidential information, you are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business.

## Insider Trading

Inside information is material information about a publicly traded company that is not known by the public. Information is deemed “material” if it could affect the market price of a security or if a reasonable investor would consider the information important in deciding whether to buy, sell or hold a security. Inside information typically relates to financial conditions, such as progress toward achieving revenue and earnings targets or projections of future earnings or losses of the Company. To the extent material and nonpublic, inside information also includes changes in strategy, information regarding a proposed merger, acquisition or tender offer, new products or services, contract awards and other similar information. Inside information is not limited to information about National. It also includes material non-public information about others, including National's customers, suppliers, and competitors.

Insider trading is prohibited by law. It occurs when an individual with material, non-public information trades securities or communicates such information to others who trade. The person who trades or “tips” information violates the law if he or she has a duty or relationship of trust and confidence not to use the information.

Trading or helping others trade while aware of inside information has potential serious legal consequences, even if the insider does not receive any personal financial benefit. Insiders may also have an obligation to take appropriate steps to prevent insider trading by others.

# Insider Trading: Communications With Third Parties

## Communications with the Media and the Financial Community

National communicates with the press and with the financial community through official channels only and you should not communicate with the press or financial community unless you have been specifically authorized to do so. The Company provides accurate and timely information about its business to investors, the media, and the general public. All inquiries received from financial analysts or the media concerning National should be directed to National Investor Relations. All legal inquiries concerning National should be referred to the Legal Department. All inquiries regarding current or former employees of National should be referred to the Human Resources Department.

## Confidential Information

You must maintain the confidentiality of information entrusted to you by the Company or its customers, suppliers, employees or other persons except when disclosure is authorized or legally mandated. Confidential information includes all non-public information, including information that might be of use to competitors, or harmful to the Company or its customers if disclosed. You must use the same care to protect any confidential information entrusted to the Company which belongs to customers, suppliers, the Company's employees, or other persons, as must be used to protect the Company's assets and confidential information.

The Company expects all of its employees to educate themselves about and be alert to threats to security of confidential information entrusted to the Company and its employees.



Confidential information within the Company's possession can include (i) confidential proprietary information about the Company's business including but not limited to trade secrets, other proprietary information, and information which may be patentable; (ii) confidential information entrusted to the Company by third parties such as customers, suppliers, or other third parties; and (iii) personally identifiable information received from employees, customers, suppliers, or other third parties which if misused could result in identity theft, credit card fraud or other serious harm.

As noted above, personal information may be subject to protection under federal, state or local laws in the U.S., or under laws of other countries and may not be transmitted from one country to another country without prior managerial approval.

Confidential information may not be disposed of except pursuant to the Company's approved methods of disposal. If you have questions about how to appropriately handle or dispose of confidential information, you should immediately bring your questions to the attention of management before taking any action with respect to it.

# Technology Use and Privacy

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National provides various technology resources (including computers, telephones, software, copying machines, Internet access, email and voice mail) to authorized employees to assist them in performing their job duties for the Company. You have the responsibility to use the Company's technology resources in a manner that complies with applicable laws and Company policies, increases productivity, enhances the Company's public image and is respectful of other employees. Detailed guidelines are set forth in National's Use of Information System Policy.



## Authorization

Access to the Company's technology resources is within the sole discretion of the Company and subject to Company policies. Generally, employees are given access to the Company's various technologies consistent with their job functions. The Company reserves the right to limit such access by any available means, including revoking access altogether.

## Prohibition Against Violating Copyright Laws

You may not use the Company's technology resources to copy, retrieve, forward or send copyrighted materials unless you have the author's permission or are accessing a single copy only for your own reference.

Violation of copyright laws is a potential financial and legal liability for both the Company and the offending employee.

## Other Prohibited Uses

You may not use any of the Company's technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties on an unauthorized basis, or for personal gain.

## Our Work Environment

**T**he diversity of the Company's employees is a tremendous asset. National is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. In addition, the Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. The Company's Equal Employment Opportunity Policy and Harassment Policy contain additional guidelines.



The Company has instituted policies on personal conduct that are designed to maintain appropriate and ethical behavior in the work place. Prohibited personal conduct is set forth in the Company's Human Resources Policies and Guidelines under "Personal Conduct."



*diversity*



## Environmental

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**N**ational must fully comply with all state and federal laws relating to the protection of the environment in the conduct of our business. Employees must use, store and dispose all hazardous materials properly and in accordance with applicable laws and regulations. Employees must report, in accordance with Company policies, all circumstances under which hazardous materials or wastes come in contact with the environment, are improperly handled or disposed of, or where a potential violation of law may exist.

*health*



# Compliance and Reporting

## Compliance

**A**ny employee who violates the provisions of this Code will be subject to disciplinary action, up to and including termination. Willful disregard of criminal statutes underlying this Code may require the Company to refer such violation for possible criminal prosecution.

## Reporting Violations by Others

National is committed to complying with all applicable laws that protect employees against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting complaints or participating in investigations regarding the Company's accounting practices, internal accounting controls, or corporate fraud or other violations by the Company or its agents of federal or state law.

No employee will be subject to disciplinary or retaliatory action by the Company as a result of the employee:

- disclosing information to a person at the Company with supervisory authority over the employee, the Audit Committee, or a federal or state legislative body or law enforcement or regulatory agency, where the employee reasonably believes that the information discloses a violation or possible violation of federal or state law or regulation, this Code of Business Conduct and Ethics, or other policies of the Company; or
- testifying or participating in an investigation or proceeding by the Company, the Audit Committee, or a state or federal regulatory agency regarding any conduct that the employee reasonably believes violates federal or state law or regulation, this Code of Business Conduct, or other policies of the Company.

However, employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to disciplinary action, including the termination of employment. In addition, except to the extent required by law, the Company does not intend this policy to protect employees who violate the confidentiality of any applicable lawyer-client or physician-patient privilege to which the Company or its agents may be entitled or who violate their confidentiality obligations with regard to the Company's trade secret information.

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Any employee having knowledge of an actual or possible violation by National, its employees, or non-employee directors of federal or state law or regulation, the provisions of this Code, or other policies of the Company is obligated to promptly report the matter to his or her immediate supervisor or to the Office of Business Conduct and Ethics.



In addition, an employee may submit complaints, concerns and information regarding the matters described in this Code anonymously by calling the **National Ethics Help Line** from anywhere in the world at 1-877-319-0269. If calling from outside the U.S., dial your country's international exit code and 1-877-319-0269; Reports may also be submitted on-line from anywhere in the world at <https://secure.ethicspoint.com/en/default.asp>.

Employees with information relating to questionable accounting or auditing matters may also confidentially, and anonymously if they desire, submit the information in writing to the Company's Audit Committee at

**Secure Mail Box**  
**National Semiconductor Corporation**  
**Office of Business Conduct and Ethics**  
**P.O. Box 70040**  
**Sunnyvale, CA 94086-0040**

Emails may be sent to [business.conduct@nsc.com](mailto:business.conduct@nsc.com) but email does not have the capability of anonymity.

All conversations, calls and reports made in good faith will be taken seriously. When reporting a violation, employees will be asked to provide the time, location, names of the people involved, and other details so that the Company can investigate. National prohibits retaliation or retribution against any person who in good faith reports an ethical concern. However, anyone who uses the Code or any compliance program to spread falsehoods, threaten others, or damage another person's reputation will be subject to disciplinary action up to and including termination.

Employees who believe that they have been subjected to any conduct that violates this policy may file a complaint using the procedures outlined above. Any employee who unlawfully discriminates or retaliates against any employee as a result of his or her protected actions as described in this policy may be subject to corrective action, including termination.

# Compliance and Reporting

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## Other Inquiries

Questions regarding the policies in this Code may be directed to the Office of Business Conduct and Ethics or the Legal Department. Managers and supervisors provide timely advice and guidance to employees on ethics and compliance concerns and are expected to take a leadership role in promoting ethical business conduct.

This Code is intended to clarify your existing obligation for proper conduct. The standards and the supporting policies and procedures may change from time to time in the Company's discretion. Each employee is responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that apply to the Company's work.

*people*

This document is provided in Chinese, Japanese, and Bahasa Malay — for the convenience of employees around the world. If there is any discrepancy in these different language versions, the English version is considered as final.

Revision A, April 16, 2008

# Other Resources

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Business Conduct and Ethics web site

Export and Customs Administration web site

Human Resources and Policy Guidelines

EHS web site

Mil/Aero Spec MAS 1-002 Time Keeping Policies and Procedures

Government Affairs web site

Corporate Contracts web site

Intellectual Property web site

Finance Policy Manual

Travel Operating Procedures

IS Standards web site





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**Mailing Address**

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Santa Clara, CA 95052

**For more information,  
send email to:**

[business.conduct@nsc.com](mailto:business.conduct@nsc.com)

**Or visit our website:**

[ethics.nsc.com](http://ethics.nsc.com)

