

**Freescale Semiconductor  
Amended and Restated  
Corporate Governance Guidelines**

These Corporate Governance Guidelines, adopted by the Board of Directors (the “Board”) of Freescale Semiconductor, Ltd. (the “Company”), together with the Company’s memorandum of association, bye-laws and Board committee charters, form the framework for governance of the Company.

**Role of the Board and Management**

The Board of the Company is elected by and responsible to the shareholders. The Company’s business is conducted by its employees, managers and officers, under the direction of the CEO and the oversight of the Board, in accordance with Bermuda law. The Board monitors the performance of the CEO and senior management who are charged by the Board with conducting the business of the Company.

The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board in its business judgment after considering relevant circumstances. At this time, the Board has determined that the separation of the roles of Chairman of the Board and Chief Executive Officer is appropriate and in the best interests of the Company.

**Board Meetings**

1. Number of Meetings. The Board will have a minimum of four regular meetings each year.
2. Attendance. Board members are encouraged to attend all meetings of the Board and committees on which they serve. The Board may use telephone or videoconference to facilitate a Director’s attendance.
3. Agenda. The Chairman of the Board will establish an agenda for each Board Meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the following topics, at a minimum, on an annual basis: CEO and senior management succession; CEO performance; corporate strategy; the Company’s relationship with its auditors; assurance of financial and reporting integrity in conformance with legal and regulatory requirements; results of operations; and total capital budget.
4. Participation. Directors should be familiar with the business of the Company to promote active and effective participation in Board and Committee meetings. Management will endeavor to provide materials to the Directors in advance of Board and committee meetings; however, it may not be possible in certain circumstances to circulate materials prior to the meeting. Directors should review all materials provided by management and advisors and come to meetings prepared to discuss the issues included on the agenda and in the materials.

5. Executive Session. The non-management Directors will meet at least four times per year in executive session. The Chairman of the Board will preside over these executive sessions.

## **Board Committees**

1. Mandatory Committees. The Board will have an Audit and Legal Committee (the “Audit Committee”), a Compensation and Leadership Committee (the “Compensation Committee”) and a Nominating and Corporate Governance Committee (the “Nominating Committee”). All of the members of the Audit Committee will be independent Directors under the criteria established by the Board and NYSE (“Independent Directors”). In addition, all members of the Audit Committee must be financially literate, and at least one member of the Audit Committee must have accounting or related financial management experience. For so long as the Company is a “Controlled Company” as defined in Section 303A of the NYSE Listed Company Manual, members of the Compensation Committee and Nominating Committee need not be Independent Directors. Should the Company cease to qualify as a Controlled Company, all members of the Compensation Committee and Nominating Committee must be Independent Directors, subject to the phase-in period provided in Section 303A of the NYSE Listed Company Manual.
2. Other Committees. The Board will have additional standing and temporary committees as appropriate.
3. Committee Charters. Each committee will have its own charter. The charters will include the purposes and responsibilities of the committees, the obligation to report to the Board, and if relevant, specific membership requirements. Each committee will review its charter annually and recommend changes to the Board.
4. Committee Meetings. Each committee will establish its own schedule of meetings.
5. Committee Evaluation. Each committee will be responsible for conducting its own committee self-evaluation.

## **Director Qualifications**

1. Selection. The Nominating Committee, with input from the Chairman of the Board, is responsible for recommending to the Board: (1) persons to be nominated by the Board for election at the Company’s Annual Meeting of Shareholders; and (2) nominees for Board membership to fill vacated or newly created positions on the Board. In considering the diversity of potential director nominees, the Nominating Committee will consider diversity of experience, skills, viewpoints, race and gender, as it deems appropriate. The Nominating Committee will consider timely written proposals for nomination from shareholders and will evaluate a shareholder’s prospective board nominee in the same manner that it evaluates other nominees, taking into account the Board composition required under the Shareholders’ Agreement.

2. Independence. In determining whether a member of the Board is an Independent Director, the Board shall comply with the criteria in the NYSE Listed Company Manual and any other applicable regulatory requirements, and must affirmatively determine that each Independent Director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In addition to meeting these regulatory requirements, the Board believes independence means that a Director and his or her immediate family have no present or former employment (within the last 3 years) with the Company, nor any substantial connection of a personal or financial nature (other than equity in the Company or equivalent stake) to the Company or its management that could in fact or in appearance compromise the Director's objectivity and loyalty to shareholders.
3. Board Composition. For so long as the Company is a "Controlled Company" as defined in Section 303A of the NYSE Listed Company Manual, a majority of the members of the Board need not be Independent Directors. Should the company cease to qualify as a Controlled Company, a majority of the members of the Board must be Independent Directors, subject to the phase-in period provided in Section 303A of the NYSE Listed Company Manual. At any given time, up to two members of the Board may be members of management ("Management Directors").
4. Joining Other Boards. Directors should provide notice to the Chairman of the Board and the Chairman of the Nominating Committee in advance of accepting an invitation to serve on another public company board. The Compensation Committee is responsible for reviewing and approving proposals for the Chief Executive Officer or other Officers (as defined in the Compensation Committee's charter) to join other public company boards.
5. Retirement. A Director must tender their retirement from the Board to the Chairman of the Nominating Committee no later than three months prior to the first annual meeting of shareholders after such Director's 75<sup>th</sup> birthday. The Director will retire on the day prior to the annual meeting of shareholders unless the Board, upon recommendation of the Nominating Committee, requests that the retiring Director continue to serve, and the Director is willing to do so. In the event that the retiring Director continues to serve, the Director must tender their retirement after each subsequent year of service under the provisions of this paragraph until the Director no longer serves on the Board.
6. Term Limits. The board does not have term limits for Directors because term limits would interrupt the service of valuable Directors and cause the loss of expertise and experience that is important for the optimal function of the Board.
7. Change in Job Responsibility. A Director must tender their resignation from the Board to the Chairman of the Nominating Committee if there is a significant change in the Director's principal occupation or business association. The Nominating Committee shall consider the resignation in light of the circumstances and recommend to the Board whether to accept the resignation or request that the Director

continue to serve on the Board. Notwithstanding the foregoing, a Director may, prior to a significant change in the Director's principal occupation or business association, submit such change for consideration by the Nominating Committee. The Nominating Committee shall consider the proposed change in light of the circumstances and recommend to the Board whether to approve the proposed change. If the Board approves the proposed change, the Director will not be required to tender their resignation as set forth above.

### **Annual Performance Evaluation**

The Board has delegated to the Nominating Committee the primary responsibility for driving the process to assess the Board and its committees on an annual basis. The Nominating Committee in cooperation with the Chairman of the Board shall annually oversee an assessment process to determine whether the Board and its committees are functioning effectively. At a minimum, the assessment will address the overall effectiveness, achievement of mission, discharge of responsibilities, structure, meetings, processes, relationships with management and Board and committee development.

### **Director Access to Management**

1. General Access. Directors shall have full and complete access to management of the Company, and if desired, without supervisors of such management present.
2. Board and Committee Meetings. Either at the request of the Board or as recommended by the Chairman of the Board, senior management and other employees will make presentations to, or be included in, discussions at Board and committee meetings.

### **Director Access to Independent Advisors**

The Board and each committee have the power to hire at the expense of the Company, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

### **Director Compensation**

1. Independent Directors. Independent Directors shall receive reasonable compensation for their services to be determined by the Board upon recommendation of the Nominating Committee. The amount of compensation for Independent Directors shall be consistent with market practices of other similarly situated corporations. In determining compensation, the Nominating Committee will consider the impact on the Director's independence and objectivity.
2. Non-Independent Directors. Directors who are not independent, including Management Directors, will not be compensated for serving as Directors.

3. Additional Expenses. The Company shall also reimburse Directors for reasonable expenses incurred in performing their duties as a Director, including, without limitation, expenses for continuing education.

### **Orientation and Continuing Education**

Management, working with the Nominating Committee, will provide an orientation process for new Directors, including background material on the Company and its business, strategies and challenges. Directors are encouraged to participate in continuing Director education.

### **CEO Evaluation and Management Succession**

The Compensation Committee will lead an annual review of the CEO's performance in light of Committee approved goals and objectives, based, in part, on the results of the CEO performance review process conducted by the non-executive Chairman of the Board or Lead Director. The Board will review the Compensation Committee's report.

The Compensation Committee is responsible for overseeing the succession and management development program for senior leadership and should review this program with senior management annually.