

LEADIS TECHNOLOGY, INC.

CORPORATE GOVERNANCE GUIDELINES

I. INTRODUCTION

The Board of Directors (the “**Board**”) of Leadis Technology, Inc. (“**Leadis**” or the “**Company**”) has adopted these governance guidelines to assist it in following corporate practices that serve the best interests of the Company and its stockholders. This statement of guidelines is intended as a general framework to assist the Board in carrying out its responsibilities and is not intended as binding legal obligations or inflexible requirements and should be interpreted in the context of all applicable laws and regulations, the Company’s charter documents and other governing legal documents. These guidelines are subject to future changes or refinements as the Board may find necessary or appropriate.

II. RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board has a responsibility to protect and enhance the assets of the Company and serve the best interests of the stockholders through overseeing and evaluating the management of the Company and providing general direction for the management of the Company.

The Company’s management, under the direction of the Chief Executive Officer (the “**CEO**”), is responsible for the operations of the Company, implementation of the strategic, financial and management policies of the Company, preparation of financial statements and other reports that accurately reflect requisite information about the Company, and timely reports which inform the Board about the operations of the Company. The Board monitors the effectiveness of management and Company policies and decisions, including the execution of its strategies.

The Company believes that good governance requires not only an effective set of specific practices but also a culture of responsibility throughout the Company, and governance at Leadis is intended to optimize both. The Company also believes that good governance ultimately depends on the quality of the Company’s leadership, and it is committed to recruiting and retaining directors and officers of proven leadership and personal integrity.

III. LEADIS VALUES AND GOALS

Leadis’ company culture is built on the premises that Leadis seeks to draw the best from its employees, and that every employee, without exception, is responsible for the conduct and success of the firm. This includes full, accurate, candid, and timely disclosure of information, and compliance with all laws and regulatory standards. Employee responsibilities are elaborated in our Code of Conduct.

Leadis is committed to establishing a corporate environment that promotes and upholds the following key values:

Integrity: We demand of each other and ourselves the highest standards of individual and corporate integrity. We vigorously protect Company assets and comply with all Company policies and laws.

Teamwork: We foster an environment that encourages innovation, creativity and results through teamwork and mutual respect. We practice leadership that teaches, inspires and promotes full participation and career development. We encourage open and effective communication and interaction.

Excellence: We continually challenge each other to improve our products, our processes and ourselves. We strive always to understand our customers' and suppliers' businesses and help them achieve their goals. We are dedicated to diversity, fair treatment, mutual respect and trust of our employees and customers.

Accountability: We will meet the commitments we make and take personal responsibility for all actions and results. We will create an operating discipline of continuous improvement that will be integrated into our culture.

IV. THE LEADIS BOARD OF DIRECTORS

Board Responsibilities

In addition to its general responsibilities, the Board also performs a number of specific functions, including:

- Overseeing fundamental financial and business strategies and approving major corporate actions.
- Reviewing and approving long-term strategic and business plans, and evaluating results of such plans.
- Selecting, evaluating, and approving the compensation of the CEO and executives and overseeing succession planning for these executives.
- Reviewing the structure and operation of the Board, nominating directors (with the assistance of the Corporate Governance and Nominating Committee), and overseeing effective corporate governance.
- Designing and assessing the effectiveness of the Boards' own governance practices and procedures.

Board Organization and Independence of its Members

- The number of directors shall be established by the Board in accordance with the Bylaws of the Company. The Board will review the appropriate size of the Board from time to time and may increase or decrease the number of directors constituting the Board upon approval of a majority of the directors then in office. Based on the increasing scope and complexity of the Company's business, the desire to avoid extensive overlap between committees, and other factors, the Board will consider adding additional members, subject to the availability of suitable candidates.
- The Board may select a chairperson of the Board in the manner and upon the criteria that the Board deems appropriate at the time of selection.
- To maintain its objective oversight of management, the Board consists of a majority of independent directors. Directors meet stringent definitions of independence and for those directors that meet this definition, the Board will make an affirmative determination that a director is independent.
- The Board may designate an independent director to serve as lead director to facilitate and chair executive sessions of the Board; and to consult with the CEO, committee chairs, and any interested directors on appropriate agenda items and information needs of the Board prior to Board meetings.

Board Committees

- To conduct its business, the Board maintains three standing committees: Audit, Compensation, and Nominating and Corporate Governance. The composition of each committee shall conform to all applicable laws and regulations.
- Each committee has a written charter approved by the Board.
- Assignments to, and chairs of, the three standing committees are recommended by the Nominating and Corporate Governance Committee and selected by the Board.
- All committees keep minutes of their meetings and report on their activities to the Board.

Board Meetings

- Board meetings are scheduled in advance and typically occur every quarter. Special meetings may be called as necessary.
- The CEO, in consultation with the lead independent director if one is designated, will have primary responsibility for preparing any agenda for a meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Individual directors are encouraged to suggest items for inclusion on the agenda.
- Directors generally receive the agenda and materials for regularly scheduled meetings in advance. When practical, the same applies to special meetings of the Board. Directors may ask for additional information from, or meet with, management at any time.
- The independent directors will hold during each year regular meetings without management present, at such times and for such purposes as the independent directors consider to be appropriate. Such meetings can occur before or after regular meetings of the Board. The independent directors may invite the Company's independent auditors, legal counsel, finance staff and other employees to attend portions of these meetings.
- As deemed appropriate by the Board, Board meetings will include a session between the CEO and the independent directors. The session is intended to permit the CEO and the directors to discuss personnel and management issues, succession issues and other topics not appropriate for discussion with other employees or management.
- The Board's intent is for directors to attend all regularly scheduled Board and committee meetings. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve.
- Decisions of the Board and its committees are recorded in the minutes of their meetings.

Board Communication

Management speaks on behalf of the Company, and the Board normally communicates through management with outside parties, including the Company's stockholders, business journalists, equity analysts, rating agencies, and government regulators.

Board Contact with Management

- The Company's management will afford each Board member access to Company employees, outside auditors, legal counsel and other professional advisors for purposes reasonably related to the Board's responsibilities.
- The Board encourages management to bring to Board meetings Company personnel who can (because of their expertise) provide additional insight to matters being discussed.
- The CEO arranges for members of management to attend Board meetings and meet informally with directors before and after the meetings.

Board Advisors

The Board and its committees (consistent with the provisions of their respective charters) may retain their own advisors, at the Company's expense, as they determine necessary to carry out their responsibilities.

Director Service

- Directors shall be elected at each annual meeting of stockholders to hold office for the term of their class of directors, as provided in the Company's Certificate of Incorporation and Bylaws.
- The Board does not believe that arbitrary term limits on directors' service are beneficial, nor does it believe that directors should expect to be re-nominated as a matter of course. Directors who have served on the Board for an extended period of time are able to provide valuable insight about the business and operations of the Company based on their experience with and understanding of the Company's history, policies and objectives.
- Directors should inform the Nominating and Corporate Governance Committee of any significant change in their employment or professional responsibilities. This allows for discussion with the Nominating and Corporate Governance Committee to determine if it is in the mutual interest of both parties for the director to continue to serve on the Board.
- The Board anticipates that the CEO will be nominated annually to serve on the Board. The Board may also appoint or nominate certain other members of the Company's management whose experience and role at the Company are expected to help the Board fulfill its responsibilities.

Continuing Director Education

- The Nominating and Corporate Governance Committee is expected to periodically review appropriate policies and procedures for providing orientation sessions for any newly elected or appointed directors, and recommending on an as-needed basis continuing director education programs for Board or committee members.
- The Company shall sponsor, or make available, a number of educational programs including, accredited directors' programs, Board education seminars, technical summits and product reviews.
- Board members shall meet continuing education requirements of any applicable regulatory agencies.