

## OmniVision Corporate Governance Guidelines

***Introductory Note: the Board of Directors of OmniVision Technologies, Inc. has developed corporate governance practices over time to help it fulfill its responsibilities to oversee the actions of management and the performance of the Company. The governance practices are set forth in these guidelines to confirm that the Board will have the requisite authority and processes in place to (i) approve the Company's business strategy as developed by management, (ii) continually evaluate the Company's business results, and (iii) assure that the interests and actions of directors and management are aligned with those of OmniVision's stockholders.***

### **Role of the Board of Directors**

The Board of Directors is the ultimate decision-making body of OmniVision Technologies, Inc., except with respect to those matters reserved to the stockholders. The Board selects the Chief Executive Officer and consults with the CEO with respect to the rest of the senior management leadership. The Board acts as an advisor and counselor to senior management and oversees its performance.

To satisfy its responsibilities, directors provide oversight in the formulation of the long term strategic, financial and organizational goals of the Company and of the plans designed to achieve those goals. In addition, the Board reviews and approves standards and policies to ensure that the Company is committed to achieving its objectives through the maintenance of the highest standards of responsible conduct and ethics and to assure that management carries out their day-to-day operational duties in a competent and ethical manner.

The day-to-day business of the Company is carried out by its employees, managers and officers, under the direction of the CEO and the oversight of the Board, to enhance the long term value of the Company for the benefit of stockholders.

The directors have full access to management and other employees, as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of management. The Board has the authority to hire outside advisors at the Company's expense if they feel it is appropriate.

### **Composition of the Board**

*Qualification.* The Board consists of a majority of outside directors who meet the criteria for independence, as amended from time to time, established by the SEC and Nasdaq. The Corporate Governance and Nominating Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The size of the Board may vary based upon the size of the business and the availability of qualified candidates.

The Corporate Governance and Nominating Committee also assesses the credentials and qualities of prospective directors, and reviews the performance of continuing directors in nominating them for election by stockholders. In performing these duties, the Committee will take into consideration such factors as judgment, skill, diversity, knowledge of the semiconductor industry, experience with businesses and other organizations of comparable size, understanding of fiduciary and governance responsibilities in publicly held companies, actual or potential conflicts of interest, number of Board positions held with other companies, particular needs of the Board or its Committees to optimize their effectiveness, and such other factors as the Committee deems appropriate.

*Selection.* The Corporate Governance and Nominating Committee considers candidates for Board and Committee membership. Potential director candidates for consideration may be identified through the Committee's own initiatives or offered by management, by other directors on the Board, or by the

Company's stockholders. Final approval of candidates to fill vacancies or for election by the stockholders is determined by the full Board.

*Compensation.* OmniVision employees serving as directors do not receive additional compensation for their services as directors. The compensation for non-employee directors is intended to be competitive with that of other public companies of comparable size. The Compensation Committee annually reviews the compensation of directors and reports its recommendations to the Board. Any change in Board cash compensation should be approved by the full Board.

*Orientation and Continuing Education.* Meetings of the Board shall be designed to provide orientation for new directors to assist them in understanding the Company's business as well as an introduction to the Company's senior management. The Company also will encourage and support the activities of its directors in attending corporate governance and other professional development and training programs designed for Board members of publicly held companies.

*Term.* The Company's certificate of incorporation provides that the Company's directors shall be divided into three classes, with the classes of directors serving for staggered three year terms. The Board does not believe it should establish term limits, because directors who have developed increasing insight into the Company and its operations over time provide an increasing contribution to the Board as a whole.

### **Board Leadership**

*Chairman.* The Chairman of the Board is selected by the Board. The Board does not have a policy on whether or not the roles of the Chairman and the Chief Executive Officer should be separate. The Board believes it should be free to determine what is best for the Company at a given point in time.

### **Functioning of the Board**

*Meetings.* The Board shall have no less than four regularly scheduled meetings each year at which it reviews and discusses leadership continuity, management development, management reports on the performance of the Company, its plans and prospects, as well as more immediate issues facing the company. Directors are expected to attend Board and Committee meetings and to spend the time needed to prepare for a meeting. The Chairman or CEO will establish the agenda for each Board meeting, with the understanding that certain items pertinent to the advisory and monitoring functions of the Board will be brought to it periodically for review and/or decision. Any member of the Board may request that an item be included on the agenda. At a Board meeting any member of the Board may raise a subject that is not on the agenda for that meeting. To the extent possible, materials related to agenda items are to be provided to the Board members sufficiently in advance of the meeting as necessary to allow the members to prepare for discussion of the items at the meeting.

*Annual Meeting Attendance.* The Company encourages, but does not require, directors to attend the annual meeting of stockholders.

*Board Evaluation.* The Corporate Governance and Nominating Committee is responsible for coordinating an annual evaluation by the directors of the Board's performance and for establishing the evaluation criteria and conducting the evaluation. The evaluation should focus on areas in which the Board believes contributions can be made going forward to increase the effectiveness of the Board. As part of this process directors will conduct an evaluation to review the progress and effectiveness of the Board and its committees, and will submit comments to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will then report back to the Board, and the full Board will consider and discuss the committee's report.

*CEO Evaluation.* The Board will review the performance of the CEO at least annually and report its findings to the Compensation Committee. The Compensation Committee will establish the long-term and short-term

compensation and performance goals for the CEO, unless otherwise determined by a majority of the independent directors.

*Management Succession.* The Board will plan for the succession of the CEO as well as other senior management positions. Succession planning can be critical in the event the CEO or other key executives should cease to serve for any reason, including resignation or unexpected disability. In addition, however, the Board believes that establishment of a strong management team is the best way to prepare for an unanticipated executive departure.

*Access to Management; Independent Advisors.* Directors have unrestricted access to members of management and employees of the Company. The Board welcomes regular attendance at Board and Committee meetings of executive officers and other members of OmniVision management. The Board and/or the Committees of the Board also have the ability to hire, at OmniVision's expense, independent advisors when it is deemed necessary or advisable to do so. The directors rely on the advice, reports and opinions of management, counsel and expert advisers.

*Executive Sessions and Meetings with Outside Auditors.* Executive sessions, or meetings of outside directors without management present, are held as part of each regularly scheduled Board meeting and at such other times as requested by an outside director. It is understood that Company personnel and others attending Board meetings may be asked to leave the meeting in order for the Board to meet in executive session. In addition, the Audit Committee of the Board should meet periodically with the Company's outside auditors without management present at such times as it deems appropriate.

*Communications with Constituencies.* Communications about OmniVision with the press, media and other constituencies (e.g., stockholders, customers, communities, suppliers, creditors, regulators and corporate partners) should be made by individuals designated by the Company. Individual Board members may from time to time, at the request of the CEO, meet or otherwise communicate with various constituencies of the Company.

To ensure that the interests of the Company's stockholders can be made known directly to the Board, the Board has established procedures to enable stockholders to communicate with the non-employee directors designated. These procedures are available for viewing on the Company's corporate governance website and are published in the Company's annual proxy materials.

### **Committees of the Board**

*Committee Structure.* All major decisions are considered by the full Board. The committee structure of the Board is limited to those committees considered by the Board to be basic to or required for the operation of a publicly owned company. Currently those committees are the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. Each committee has its own charter setting forth the purposes of the committee as well as qualifications for committee membership. Annually, the chair of each committee should review the existing committee charter and determine, in consultation with the rest of the committee, whether any amendments are required.

*Qualification.* All members of the Audit, Corporate Governance and Nominating and Compensation Committees are independent directors under the criteria, as amended from time to time, established by the SEC and Nasdaq.

*Functioning of the Committees.* The chair of each Committee determines the frequency and length of the Committee meetings and develops the agenda for each meeting consistent with each Committee's respective charter. The chair of each Committee should feel free to call additional committee meetings at times other than the scheduled meetings of the full Board. Materials related to agenda items are to be

provided to the Committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

*Assignment and Rotation of Committee Members.* Committees should be appointed (or reappointed), and chairs of each committee designated, by the full Board, upon recommendation by the Corporate Governance and Nominating Committee, in consultation with the Chairman and CEO, annually. While composition of the committees of the Board should be looked at each year in making certain that these committees are not stagnant or without fair representation, it is the Board's belief that continuity of experience in the specific functions of these committees provides a significant benefit to the stockholders and to management.

### **Code of Conduct, Conflicts of Interests, Related Party Transactions and Complaints Process**

The Corporate Governance and Nominating Committee shall review and approve the Company's code of business ethics and conduct which is applicable to directors, officers and employees; consider questions of possible conflicts of interest of Board members and corporate officers; review actual and potential conflicts of interest (including corporate opportunities) of Board members and corporate officers; and approve or prohibit any involvement of such persons in matters that may involve a conflict of interest or corporate opportunity. Directors may be asked from time to time to leave a Board meeting when the Board is considering a transaction in which the director (or another organization in which the director is a director or officer) has a financial or other interest.

The Audit Committee shall review and approve in advance any proposed related party transactions in compliance with rules of the NASDAQ Stock Market and must present material related party transactions to the full Board for approval; review and approve the financial code of ethics for its senior financial officers; monitor compliance with the Company's financial code of ethics; and review and approve the Company's procedures for handling complaints regarding accounting or auditing matters.

### **Amendment**

The Corporate Governance Guidelines are subject to modification from time to time by the Board. The Corporate Governance and Nominating Committee and the Board should review these guidelines no less frequently than annually.