

# ANALOG DEVICES, INC.

## CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Analog Devices, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and stock exchange rules and the Company’s charter and bylaws, each as amended and in effect from time to time. The Guidelines provide a framework for the conduct of the Board’s business. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

### A. Director Responsibilities

1. Oversee Management of the Company. The principal responsibility of the directors is to oversee the management of the Company and, in so doing, serve the best interests of the Company and its stockholders. This responsibility includes:
  - Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
  - Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, when warranted.
  - Evaluating the Company’s compensation programs on a regular basis and determining the compensation of its senior executives.
  - Reviewing senior executive succession plans.
  - Evaluating whether corporate resources are used only for appropriate business purposes.
  - Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.
  - Reviewing and approving material transactions and commitments not entered into in the ordinary course of business.
  - Developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
  - Providing advice and assistance to the Company’s senior executives.

- Evaluating the overall effectiveness of the Board and its committees.
2. Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candor, directors are expected to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders.
  3. Understand the Company and its Business. Directors have an obligation to become and remain informed about the Company and its business, including the following:
    - The principal operational and financial objectives, strategies and plans of the Company.
    - The results of operations and financial condition of the Company and of significant subsidiaries and business divisions.
    - The relative standing of the business divisions within the Company and vis-à-vis competitors.
    - The factors that determine the Company's success.
    - The risks and problems that affect the Company's business and prospects.
  4. Establish Effective Systems. Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company, including the following:
    - Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues.
    - Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results.
    - Financial statements, with appropriate divisional breakdowns.
    - Adoption, implementation and monitoring of effective compliance programs to assure the Company's compliance with law and corporate policies.
    - Material litigation and governmental and regulatory matters.
    - Monitoring and, where appropriate, responding to communications from stockholders.
  5. Board, Stockholder and Committee Meetings. Directors are responsible for attending Board meetings, meetings of committees on which they serve and the annual meeting of stockholders, and devoting the time needed, and meeting as frequently as necessary, to discharge their responsibilities properly.

6. Reliance on Management and Advisors; Indemnification. The directors are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel, except to the extent that any such person's integrity, honesty or competence is in doubt. The directors are also entitled to Company-provided indemnification, statutory exculpation and directors' and officers' liability insurance.
7. Confidentiality. Pursuant to their fiduciary duties of loyalty and care, directors are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board to disclose such information. Accordingly, (i) no director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and (ii) no director shall disclose Confidential Information outside the Company, either during or after his or her service as a director of the Company, except with authorization of the Board or as may be otherwise required by law.

"Confidential Information" is all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, such as:

- non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock splits and divestitures;
- non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners, which the Company is under an obligation to maintain as confidential; and
- non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and directors.

## **B. Director Qualification Standards**

1. Independence. Except as may otherwise be permitted by NASDAQ rules, a majority of the members of the Board shall be independent directors. To be considered independent: (1) a director must be independent as determined under Rule 5605(a)(2) of the rules of the NASDAQ Stock Market and (2) in the Board's judgment, the director must not have a relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board has established guidelines to assist it in determining whether a director has a relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Under these guidelines, a director will not be considered to have such relationship with the Company if he or she is independent under Rule 5605(a)(2) of the rules of the NASDAQ Stock Market and he or she:

- (i) is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services, unless the amount of such payments or receipts in the current or any of the past three fiscal years exceeded 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more;
- (ii) is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, unless the total amount of either company's indebtedness to the other is more than five percent (5%) of the total consolidated assets of the company for which he or she serves as an executive officer;
- (iii) is a director of another company that does business with the Company, provided that he or she owns less than five percent (5%) of the outstanding capital stock of the other company and recuses himself or herself from any deliberations of the Company with respect to such other company; or
- (iv) is, or has a family member who is, an executive officer of a charitable organization, unless the Company's charitable contributions to such charitable reorganization, in the current or any of the past three fiscal years exceeded 5% of the charitable organization's consolidated gross revenues for that year, or \$200,000, whoever is more.

In addition, ownership of a significant amount of the Company's stock, by itself, does not constitute a material relationship.

For relationships not covered by the guidelines set forth above, the determination of whether a relationship exists that would interfere with the exercise of independent judgment in carrying out the responsibilities of a directors shall be made by the other members of the Board of Directors who are independent as defined above. Terms used in this section shall be construed in accordance with NASDAQ rules.

2. Size of the Board. The Board believes an appropriate size for the Board of Directors is between six and ten members, but that a smaller or larger Board may

be appropriate at any given time, depending on circumstances and changes in the Company's business.

3. Other Directorships. A director shall limit the number of other public company boards on which he or she serves so that he or she is able to devote adequate time to his or her duties to the Company, including preparing for and attending meetings. No director shall serve on the Board of Directors of more than four (4) other public companies. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. Service on boards and/or committees of other organizations shall comply with the Company's conflict of interest policies.
4. Tenure. The Board does not believe it should establish term limits. Term limits could result in the loss of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and an institutional memory that benefit the entire membership of the Board as well as management. As an alternative to term limits, the Nominating and Corporate Governance Committee shall review each director's re-nomination to the Board every year. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board and allow the Company to efficiently replace directors who are no longer interested or effective.
5. Presiding Director. In the event that the Chairman of the Board is not an independent director, the Board of Directors may designate an independent director of the Board to serve as "presiding director." The presiding director, if one is designated, shall:
  - Chair any meeting of the independent directors in executive session; and
  - Facilitate communications between other members of the Board and the Chairman of the Board and/or the Chief Executive Officer; however, each director is free to communicate directly with the Chairman of the Board and the Chief Executive Officer.
6. Separation of the Offices of Chairman and Chief Executive Officer. The offices of Chairman of the Board and Chief Executive Officer should be separate, unless otherwise determined by a majority of the Board of Directors.
7. Selection of New Director Candidates. Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, the Nominating and Corporate Governance Committee shall be responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. New director nominees shall be considered for recommendation by

the Nominating and Corporate Governance Committee in accordance with these Guidelines, the policies and principles in its charter and the criteria set forth in Attachment A to these Guidelines.

8. Extending the Invitation to a New Director Candidate to Join the Board. The invitation to join the Board should be extended by the Chairman of the Board, on behalf of the Board, and the Chairman of the Nominating and Corporate Governance Committee, on behalf of such Committee. Unauthorized approaches to prospective directors can be premature, embarrassing and harmful.
9. Former Chief Executive Officer's Board Membership. The Board believes that the continuation of a former Chief Executive Officer of the Company on the Board is a matter to be decided in each individual instance by the Board.
10. Change of Responsibility of Director. The Board believes that any director who retires from his or her principal current employment, or who materially changes his or her current position, should offer to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee shall then recommend to the Board whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new status.
11. Policy Regarding Holdover Directors. In an election of directors other than a Contested Election Meeting (as defined in Section 1.8 of the Company's bylaws), any nominee for director who is an incumbent director and who does not receive more votes "for" his or her election than votes cast "against" his or her election (with "abstentions," "broker non-votes" and "withheld votes" not counted as a vote "for" or "against" such nominee's election) shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board for consideration in accordance with the following procedures, all of which procedures shall be completed within 90 days following certification of the shareholder vote:
  - The Committee (as defined below) shall evaluate the best interests of the Company and its shareholders and shall recommend to the Board the action to be taken with respect to such offered resignation (which can range from accepting the resignation, to maintaining the director but addressing what the Committee believes to be the underlying cause of the "against" votes, to resolving that the director will not be re-nominated in the future for election, to rejecting the resignation). In reaching its recommendation, the Committee shall consider all factors it deems relevant, including, as it deems appropriate, any stated reasons why shareholders voted "against" the election of such director, any alternatives for curing the underlying cause of the "against" votes, the total number of shares voting, how such shares were voted, the number of broker non-votes (if any), the director's tenure, the director's qualifications, the director's past and expected future contributions to the Company and the overall composition of the Board, including whether

accepting the resignation would cause the Company to fail to meet any applicable SEC or NASDAQ requirements.

- The Board shall act on the Committee's recommendation. In acting on the Committee's recommendation, the Board will consider all of the factors considered by the Committee and such additional factors as it deems relevant.
- Following the Board's determination, the Company shall promptly publicly disclose in a document furnished or filed with the SEC the Board's decision of whether or not to accept the resignation offer and an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the offered resignation.
- A director who is required to offer his or her resignation in accordance with this policy shall not be present during deliberations or voting of the Committee or the Board regarding whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this policy. Prior to voting, the Committee and the Board will afford the affected director an opportunity to provide the Committee or the Board with any information or statement that he or she deems relevant.

If the Board accepts a nominee's resignation, then the Board may fill the resulting vacancy pursuant to the provisions of Section 2.3 of the Company's bylaws or may decrease the size of the Board pursuant to the provisions of Section 2.4 of the Company's bylaws.

For purposes of this policy, the term "Committee" means (i) the Nominating and Governance Committee, provided each of the members of such committee is an independent director (as defined in accordance with the Company's Corporate Governance Guidelines) and none of whom is a director who is required to offer his or her resignation in accordance with this policy or (ii) if clause (i) is not satisfied, a committee of at least three directors designated by the Board, each of the members of which is an independent director (as defined in accordance with the Company's Corporate Governance Guidelines) and none of the members of which is a director who is required to offer his or her resignation in accordance with this policy; provided, however, that if there are fewer than three independent directors then serving on the Board who are not required to offer their resignations in accordance with this policy, then the Committee shall be comprised of all of the independent directors and each independent director who is required to offer his or her resignation in accordance with this policy shall recuse himself or herself from the Committee and Board's deliberations and voting with respect to his or her individual offer to resign.

The foregoing procedures will be summarized and disclosed each year in the proxy statement for the Company's annual meeting of stockholders.

## C. Board Meetings

1. Selection of Agenda Items. The Chairman of the Board shall establish the agenda for each Board meeting. At the beginning of the year the Chairman of the Board shall establish a schedule of subjects to be discussed during the year (to the extent practicable). Each Board member is free to suggest the inclusion of agenda items and is free to raise at any Board meeting subjects that are not on the agenda for that meeting. During at least one meeting each year, the Board shall review the Company's long-term strategic plans and the principal issues that the Company expects to confront in the future.
2. Frequency and Length of Meetings. The Chairman of the Board, in consultation with the members of the Board, shall determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business.
3. Advance Distribution of Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable. Presentations made at Board meetings should do more than summarize previously distributed Board meeting materials.
4. Executive Sessions. The independent directors shall meet in executive session at least semi-annually to discuss, among other matters, the performance of the Chief Executive Officer. The independent directors will meet in executive session at other times at the request of any independent director. Absent unusual circumstances, these sessions shall be held in conjunction with regular Board meetings. The director who presides at these meetings shall be the presiding director if there is one, and if not, shall be chosen by the independent directors, and his or her name shall be disclosed in the annual meeting proxy statement.
5. Attendance of Non-Directors at Board Meetings. The Board welcomes regular attendance at each Board meeting of senior executives of the Company. Furthermore, the Board encourages the senior executives of the Company to, from time to time, bring Company personnel into Board meetings who (i) can provide additional insight into the items being discussed because of personal involvement in these areas or (ii) appear to be persons with future potential who should be given exposure to the Board.

## D. Board Committees

1. Key Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance



Committee. Each such committee shall have a charter that has been approved by the Board. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. Assignment of Committee Members. The Nominating and Corporate Governance Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board. Except as otherwise permitted by the applicable rules of the SEC and NASDAQ, each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be an “independent director” as defined by such rules.
3. Committee Charters. In accordance with the applicable rules of NASDAQ, the charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The Board shall, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes.
4. Selection of Agenda Items. The chairman of each committee, in consultation with the committee members, shall develop the committee’s agenda. At the beginning of the year each committee shall establish a schedule of subjects to be discussed during the year (to the extent practicable). The schedule for each committee meeting shall be furnished to all directors.
5. Frequency and Length of Committee Meetings. The chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee’s charter. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the committees.

#### **E. Director Access to Management and Independent Advisors**

1. Access to Officers and Employees. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.
2. Access to Independent Advisors. The Board and each committee have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

Such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

#### **F. Director Compensation**

1. Role of Board and Compensation Committee. The form and amount of director compensation shall be determined by the Board in accordance with the policies and principles set forth below. The Compensation Committee shall conduct an annual review of the compensation of the Company's directors. The Compensation Committee shall consider that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts or business arrangements with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.
2. Form of Compensation. The Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of the Company's stockholders.
3. Amount of Consideration. The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors at least competitively relative to comparable companies. The Compensation Committee shall, from time to time, present a comparison report to the Board, comparing the Company's director compensation with that of comparable companies. The Board believes that it is appropriate for the Chairman of the Board and the chairmen and members of the committees to receive additional compensation for their services in those positions.
4. Employee Directors. Directors who are also employees of the Company shall receive no additional compensation for Board or committee service.

#### **G. Director Orientation and Continuing Education**

1. Director Orientation. The Board and the Company's management shall conduct a mandatory orientation program for new directors. The orientation program shall include presentations by management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its General Counsel and outside legal advisors. In addition, the orientation program shall include a review of the Company's expectations of its directors in terms of time and effort, a review of the directors' fiduciary duties and visits to Company

headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the orientation program.

2. Continuing Education. Each director is expected to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties and to recognize and deal appropriately with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

## **H. Management Evaluation and Succession**

1. Selection of Chief Executive Officer. The Board selects the Company's Chief Executive Officer in the manner that it determines to be in the best interests of the Company's stockholders.
2. Evaluation of Senior Executives. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's senior executives by the Board of Directors. The Compensation Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation.
3. Succession of Senior Executives. The Nominating and Corporate Governance Committee shall oversee a periodic review by the Board of succession planning, which shall include transitional leadership in the event of an unplanned vacancy. The entire Board shall assist the Nominating and Corporate Governance Committee in evaluating potential successors to the Chief Executive Officer. The Chief Executive Officer should periodically report and at all times make available his or her recommendations and evaluations of potential senior executive successors, along with a review of any development plans recommended for such individuals.

## **I. Annual Performance Evaluation of the Board**

The Nominating and Corporate Governance Committee shall oversee an annual evaluation of the Board to determine whether it and its committees are functioning effectively. The evaluation shall consist of an evaluation of the Board and its committees, as well as of individual Board members by other directors. The Nominating and Corporate Governance Committee shall determine the nature of the evaluation and supervise the conduct of the evaluation.

## **J. Board Interaction with Stockholders, Institutional Investors, the Press, Customers, Etc.**

The Board believes that the Chief Executive Officer and his or her designees speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is, however, expected that Board members would do so with the knowledge of and, absent unusual circumstances or as contemplated by the committee charters, only at the request of the Company's senior executives.

The Board will give appropriate attention to written communications on issues that are submitted by stockholders and other interested parties, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by the committee charters, the Chairman of the Nominating and Corporate Governance Committee shall, with the assistance of the Company's internal legal counsel, (1) be primarily responsible for monitoring communications from shareholders and other interested parties, and (2) provide copies or summaries of such communications to the other directors as he or she considers appropriate.

#### **K. Share Ownership Guidelines**

1. Directors. The Board believes that ownership of Company shares is important to align the interests of directors with those of stockholders. Accordingly, it is the policy of the Board that each Director should attain a share ownership level of Company common stock equal to four times the annual cash retainer paid to such Director (not including any additional cash retainer amounts paid to Committee chairs).
2. Officers. The Board believes that executive officers of the Company should hold an equity interest in the Company. Accordingly, it is the policy of the Board that the Chief Executive Officer should attain a share ownership level equal to two times his or her annual base salary and each other executive officer (including any director who is an employee) should attain a share ownership level equal to one times his or her annual base salary.
3. General. Directors (including the Chief Executive Officer) shall have four years from the later of the initial adoption of these guidelines or his or her election to the Board to achieve the ownership levels set forth above. Executive officers (other than the Chief Executive Officer) shall have five years from the later of the initial adoption of these guidelines or the assumption of his or her applicable position with the Company to achieve the ownership levels set forth above. Shares subject to unexercised options, whether or not vested, will not be counted for purposes of satisfying these guidelines. Restricted stock units (whether or not vested) are counted for purposes of satisfying these guidelines. The Board recognizes that exceptions to this policy may be necessary or appropriate in individual situations and may approve such exceptions from time to time.

#### **L. Periodic Review of the Corporate Governance Guidelines**

The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

## **ANALOG DEVICES, INC.**

### Attachment A to Corporate Governance Guidelines

#### **CRITERIA FOR NOMINATION AS A NEW DIRECTOR**

##### **General Criteria**

1. Nominees should have a reputation for integrity, honesty and adherence to high ethical standards.
2. Nominees should have demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the Company.
3. Nominees should have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees.
4. Nominees should have the interest and ability to understand the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public, and to act in the interests of all stockholders.
5. Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all the Company's stockholders and to fulfill the responsibilities of a director.
6. Gender, racial and ethnic diversity, consistent with the requirement for relevant experience, skills and industry familiarity, are important search criteria.
7. Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law.

##### **Application of Criteria to Existing Directors**

The renomination of existing directors should not be viewed as automatic, but should be based on continuing qualification under the criteria set forth above. In addition, the Nominating and Corporate Governance Committee shall consider the existing directors' performance on the Board and any committee, which shall include consideration of the extent to which the directors undertook continuing director education.

##### **Criteria for Composition of the Board**

The backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board in fulfilling its responsibilities.