

Palm, Inc.
Corporate Governance Principles

Amended effective as of April 26, 2007

Introduction.

The corporate governance practices established by the Board of Directors (the "Board") of Palm, Inc. (the "Company"), as reflected in the following Corporate Governance Principles, provide a structure within which directors and management can effectively pursue the Company's objectives for the benefit of its stockholders.

Role of the Board.

1. The fundamental role of the Board is to exercise its business judgment in overseeing the operation of the Company in what it reasonably believes to be the best interests of the Company and its stockholders. The Board selects the Chief Executive Officer and oversees the performance of the Chief Executive Officer and other senior management in the competent and ethical operation of the Company. The Board's core responsibilities include:
 - reviewing and approving the Company's strategic direction and annual operating plans and monitoring the Company's performance against strategic and operating plans;
 - evaluating the performance of the Chief Executive Officer and other members of senior management and setting compensation accordingly;
 - planning for succession to the position of Chief Executive Officer and other senior management positions;
 - advising and counseling management on significant issues facing the Company;
 - overseeing the Company's financial reporting and the integrity of its accounting, financial reporting systems and systems of control;
 - overseeing the Company's integrity, ethics and compliance with laws; and
 - nominating directors and overseeing effective corporate governance.

The Board performs many of these responsibilities with the assistance of its committees.

Board Structure, Composition and Membership Criteria.

2. Independence.

All members of the Board, with the exception of the Chief Executive Officer, meet the criteria for director independence established by the Nasdaq Stock Market. The Board makes an affirmative determination regarding the independence of each director annually, based on the recommendation of the Nominating and Governance Committee.

3. Size and Structure.

The Board currently has eight members. The Nominating and Governance Committee considers and recommends changes in the size of the Board. The Board would consider expanding its size to accommodate outstanding candidates. The Board is divided into three classes, with the classes of directors serving for staggered three-year terms. Thus, directors typically stand for reelection every three years.

4. Board Leadership.

The positions of Chairman of the Board and Chief Executive Officer are separate, and the Chairman of the Board is an independent director. The Chairman of the Board is elected by the Board and serves in that position until the Board elects a successor or his or her earlier resignation.

5. Selection of Directors.

The Nominating and Governance Committee approves and recommends to the Board, and the Board approves, all nominees for membership on the Board, including the slate of director nominees to be proposed by the Board to the Company's stockholders for election or any director nominees to be elected or appointed by the Board to fill interim director vacancies on the Board. The Committee also considers candidates submitted by stockholders in compliance with the procedures described in the Company's proxy statement.

6. Board Membership Criteria.

The Nominating and Governance Committee is responsible for determining and periodically reviewing with the Board criteria for identifying and evaluating director candidates. These criteria include business experience, applicable industry expertise and personal skills in business management, technology, finance, marketing, financial reporting or other areas that may be expected to contribute to an effective board of directors. The Committee seeks to assure that the board of directors is composed of individuals who are capable of advising management on matters related to the current or future business directions of the Company, who represent a broad and diverse range of viewpoints and experience and who have the highest professional and personal ethics consistent with the Company's values and standards. Candidates should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience.

7. Service on Other Boards.

The Board has limited directors to service on no more than five public company boards (including the Company's Board) or, if a director is also the chief executive officer of a public company, to service on no more than three public company boards (including the Company's Board), in each case absent approval from the Nominating and Governance Committee of service above the applicable limit. Directors must also advise the Chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on another corporate board. Before the Company's Chief Executive Officer may serve on any other board, the Nominating and Governance Committee must approve and recommend to the Board, and the Board must approve, such service.

8. Change in Principal Occupation.

A director who changes his or her principal business association will promptly offer his or her resignation from the Board to the Chair of the Nominating and Governance Committee. The Committee will assess the resignation under all the circumstances and make a recommendation to the Board as to whether to accept the resignation. The Board is free to accept or reject the resignation.

9. Orientation of New Directors.

New directors participate in an orientation process that includes presentations and materials regarding the Company's business and operations and meetings with key personnel.

10. Directors Continued Education.

The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education and requires each director to attend an ISS-approved education program at least once during each three-year term on the Board.

Board Operations and Meetings.

11. Meeting Frequency.

The Board meets at least five times per year and more often as necessary. Each regular meeting of the Board includes a strategy discussion.

12. Agendas.

The items on the agenda are typically determined by the Chairman of the Board in consultation with the Board, the Chief Executive Officer and other members of management. Any director may request that an item be included on the agenda.

13. Distribution and Review of Materials.

Generally, members of the Board receive information in advance of meetings of the Board and committees so they will have an opportunity to prepare for discussion of the items at the meeting. Information may include summaries, reports and other materials prepared by management and/or third parties.

14. Conduct of Meetings.

At meetings of the Board, ample time is scheduled to provide full discussion of matters on the agenda. Management presentations are scheduled to permit sufficient Board meeting time for discussion and comments.

Members of the Board are expected to prepare for and participate in all meetings of the Board and in all meetings of committees of the Board on which they serve. Each member of the Board is expected to ensure that other commitments do not materially interfere with the member's service as director. To facilitate participation, directors may attend in person, via telephone conference or via video-conference, though in-person participation is encouraged.

15. Executive Sessions.

The independent directors typically meet in executive session at every regular Board meeting. The Chairman of the Board presides at these sessions.

16. Annual Meeting of Stockholders.

Directors are encouraged to attend the Company's annual meeting of stockholders.

Board Access to Management, Employees and Third Parties.

17. Management and Employees.

Members of the Board have complete access to the Company's management and employees. Furthermore, the Board encourages management to, from time to time, bring managers into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with executive management potential that senior management believes should be given exposure to the Board.

18. Third Parties.

The Board believes that management speaks for the Company. Individual members of the Board may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that members of the Board would do this with the knowledge of senior management and, in most instances, absent unusual circumstances or as contemplated by the committee charters, at the request of senior management.

Committees.

19. Number, Structure and Independence.

The Board has the following three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. The Board may, from time to time, form new committees as it deems appropriate.

All of the members of the Audit, Compensation and Nominating and Governance Committees meet the director independence criteria of the Nasdaq Stock Market. Pursuant to an additional, more stringent requirement established by the Board, members of these committees may not receive any fees from the Company other than fees for Board or committee service. Directors who serve on the Audit Committee also meet heightened independence criteria applicable to audit committee members under the rules and regulations of the Securities and Exchange Commission and the Nasdaq Stock Market. Members of these committees also must meet any other membership criteria specified in the respective charters of such committees.

20. Committee Assignments.

Members of the Audit and Compensation Committees are appointed by the Nominating and Governance Committee. Members of the Nominating and Governance Committee are appointed by the independent members of the Board. The Nominating and Governance Committee reviews the qualifications of directors for service on committees, suggests rotations for committee chairs, and reviews and makes recommendations to the Board regarding the structure and responsibilities of each committee.

21. Charters and Responsibilities.

Each of the Audit, Compensation and Nominating and Governance Committees has a written charter. The charters set forth the policies and responsibilities of the respective committees in addition to the qualifications for membership on the

committees. Each of the committees reviews its charter annually and recommends changes as appropriate to the Board.

22. Meetings and Agendas.

The Chair of each committee of the Board, in consultation with appropriate committee members and members of management, and in accordance with the committee's charter, determines the frequency and length of committee meetings and develops the committee's agenda. Committees report regularly to the Board with respect to their activities.

Outside Advisors.

23. The Board and each standing committee of the Board have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and have the power to hire outside legal, financial and other advisers as they may deem necessary, without consulting with, or obtaining approval from, management of the Company.

Director Compensation.

24. The Compensation Committee annually reviews and recommends to the Board for its approval the compensation for members of the Board in accordance with the Compensation Committee's charter. Non-management directors receive a combination of cash and equity compensation for service on the Board.

Stock Ownership Guidelines for Directors and Executive Officers.

25. The Board has adopted stock ownership guidelines for directors and executive officers to encourage long-term equity ownership in the Company, align the interests of the Company's directors and executive officers with the interests of the Company's stockholders, and further promote the Company's commitment to sound corporate governance. The Compensation Committee reviews progress against these guidelines and updates the guidelines as appropriate.

Leadership Development.

26. Annual Evaluation of the Chief Executive Officer.

The Compensation Committee develops performance goals for the Chief Executive Officer and meets with the Chief Executive Officer annually to discuss these goals, which are then discussed with the entire Board. At year end, the Compensation Committee obtains input from the Board and management and evaluates the performance of the Chief Executive Officer in meeting those goals. The results of the evaluation are used by the Committee in considering the Chief Executive Officer's compensation, which is reviewed and approved annually by the Committee meeting in executive session.

27. Succession Planning and Management Development.

The Board, through its committees, plans for succession to the position of Chief Executive Officer as well as certain other senior management positions.

Board and Committee Evaluations.

28. The Nominating and Governance Committee annually reviews and evaluates the Board's performance and effectiveness. Under the oversight of the Committee, each of the Board's standing committees annually reviews its performance and

effectiveness. The contributions of individual directors are assessed through peer evaluations in considering whether to nominate them for re-election to the Board.

Standards of Legal and Ethical Conduct.

29. The Company is committed to the highest standards of legal and ethical conduct as set forth in the Company's Worldwide Code of Business Conduct and Ethics. This Code applies to members of the Board as well as all employees of the Company and contractors, consultants and other agents of the Company when they are representing or acting on behalf of the Company.

Annual Review of Corporate Governance Principles.

30. The Nominating and Governance Committee reviews the Corporate Governance Principles annually and recommends changes to the Board of Directors as appropriate.