

Code of Business Conduct and Ethics

ethics.nsc.com



Letter from the Chairman, President and CEO

Dear National Employee,

In our work, we are frequently faced with a number of difficult business decisions. It is important to remember that what we decide in these situations can have unintended consequences and negatively impact the reputation of, and create legal liability, for National Semiconductor.

National Semiconductor is committed to ethical business practices and making decisions that comply with all applicable laws and regulations. And, each of us must act ethically and honestly in all our business endeavors.



To help guide you and to publish for the world our expectations for our behavior and the way we do business, we developed the Code of Business Conduct and Ethics. The principles illustrated herein amplify the honest and professional manner expected of every National employee and act as the foundation for understanding how to handle many of the situations you may encounter while working with National. The Code provides each of us with necessary information about how to act ethically and within the laws affecting our business.

While the Code cannot address every decision that you may face during your career at our company, it serves as a useful guide. Please keep it and refer to it as needed. Ultimately, we must be responsible for our own actions.

When you have additional questions or need further assistance, you should seek advice from the Legal department's Office of Business Conduct and Ethics. They are there to help you fulfill your responsibility as an employee of National Semiconductor. You will find more details and contact information inside of this guidebook.

Remember, "Know what is right and do what is right." I appreciate your commitment to this important matter.

Sincerely,

A handwritten signature in black ink, which appears to read "Don Macleod". The signature is written in a cursive, flowing style.

Don Macleod
Chairman, President and Chief Executive Officer

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Policy Statement

It is the policy of National Semiconductor Corporation (“National” or the “Company”) to conduct its affairs in accordance with all applicable laws and regulations of the countries in which it does business. This Code of Business Conduct and Ethics applies to the Company’s employees and to its non-employee directors. Some provisions apply particularly to a class of employees labeled as “Designated Executives.” These include the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. The Code is designed to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company
- Compliance with applicable governmental laws, rules and regulations
- The prompt reporting to the appropriate person of violations of laws, rules, regulations and this Code and other Company policies
- Accountability for adherence to this Code

National has established standards for behavior that affect the Company, and both employees and non-employee directors should comply with these standards. The Company promotes ethical behavior and encourages employees to talk to supervisors, managers, the Office of Business Conduct and Ethics, or other appropriate personnel when in doubt about the best course of action in a particular situation. Non-employee directors are encouraged to talk to the Chairman of the Board and/or to the Chairman of the Governance Committee in such situations. If you become aware of a situation that may involve a violation of this Code or any applicable law, policy or procedure, you have a duty to your colleagues and the Company to promptly report it by following the guidelines under “Compliance and Reporting”. Doing so helps the Company to address issues and prevent future misconduct. No one will be subject to retaliation for reporting such violations in good faith.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide you. Specific Company policies and procedures provide details pertinent to many of the provisions of the Code. You are expected to be aware of, and to act in accordance with, both the Code and the Company’s other policies and procedures at all times. National’s Business Conduct and Ethics website provides further information, resources and guidance on many of the topics covered by this Code. While common sense and sound judgment, are reliable guides in many circumstances, you should not hesitate to use all available resources whenever it is necessary to seek clarification.

Approval and Waivers; Amendments; Interpretation

Certain provisions of this Code require you to act, or refrain from acting, unless prior approval is received from the appropriate person. Approvals relating to Designated Executives and non-employee directors must be obtained from the Audit Committee of the Company's Board of Directors. All other approvals must be granted by the Office of Business Conduct and Ethics and in some instances as specified in this Code, the approval of another officer and/or department may be required. Employees may contact the Office of Business Conduct and Ethics for additional information on obtaining approvals. All such approvals should be requested in writing.

Other provisions of this Code require you to act, or refrain from acting, in a particular manner and do not permit exceptions based on obtaining an approval. Waiver of those provisions may only be granted by the Audit Committee, and changes in this Code may only be made by the Board of Directors. Waivers are material departures from any provision of this Code. All waivers granted to Designated Executives, other executive officers and directors must be disclosed promptly to the Company's stockholders.

In some situations it may not be clear whether a provision of this Code is intended to apply to particular conduct. In such situations, the Board of Directors and the Audit Committee have full power and authority to interpret the Code in a manner that they believe reflects the intent of the Board, and no determination that the Code was not intended to apply to such conduct in a specific situation shall be deemed to be a waiver of the Code's prohibitions in other circumstances.



Conflicts of Interests



Conflicts of interest are prohibited. A conflict of interest arises any time your personal interests or activities interfere with your ability to act in the best interests of the Company. All employees, including Designated Executives, must discharge their responsibilities solely on the basis of what is in the best interests of the Company and independent of personal consideration or relationships. Non-employee directors must discharge their fiduciary duties as directors of the Company. Employees must disclose any potential conflicts of interest to the Office of Business Conduct and Ethics, which will advise the employee whether or not the Company believes a conflict of interest exists. Designated Executives and non-employee directors must disclose any potential conflicts of interest to the Audit Committee, which shall determine whether a conflict of interest exists. Any potential conflicts of interest involving your spouse, siblings, parents, in-laws, children, life partner and members of your household must also be disclosed.

Activities Outside the Company

Although National has no interest in preventing employees from engaging in lawful activities during non working hours, employees must make sure that their outside activities do not conflict or interfere with their responsibilities to the Company. For example, without approval by the Company a National employee generally may not:

- Engage in self-employment or perform paid or unpaid work for others in a field of interest similar to National
- Use proprietary or confidential Company information for personal gain or to the Company's detriment
- Use Company assets or labor for personal use, except for incidental use permitted under the Company's policies
- Acquire any interest in property or assets of any kind for the purpose of selling or leasing it to the Company
- Serve on the Board of Directors of a public company or on the Customer Advisory Board or Technical Advisory Board of any for-profit enterprise (see section on "Service on Outside Boards of Directors")
- Perform the work of another organization on National time

Conflict of Interests

Community Activities

National encourages you to be actively involved in your communities through volunteer service to charitable, civic and public service organizations, and through participation in the political process and trade associations.

Employees must make sure, however, that their service is consistent with their employment with National and does not pose a conflict of interest. This is particularly important before accepting any leadership position (such as membership on the board of a charitable or civic organization), or before soliciting a charitable contribution.

Service on Outside Boards of Directors

Serving as a director of another corporation may create a conflict of interest. Employees must disclose such service to the Office of Business Conduct and Ethics and obtain prior approval before serving on the board of another company, whether or not such company is a competitor of National. Non-employee directors must disclose service on other boards to the Governance Committee and to the Company's General Counsel, who will conduct a review to ensure legal requirements are met. The Governance Committee will make the final determination whether service on other boards by Designated Executives constitutes a conflict of interest.

Competitor Relationships

Employees must avoid even the appearance of a conflict of interest in their relationships with competitors. Without approval employees may not

- Make or maintain a financial investment in a competitor, except for investments in publicly traded corporations not exceeding 2% of the outstanding common stock
- Provide compensated or uncompensated services to a competitor, except for services rendered under a valid National contract with the competitor
- Disclose any Company proprietary information to a competitor, unless a nondisclosure agreement signed by the Company is in place
- Solicit or receive any confidential information belonging to a competitor
- Utilize for any unauthorized purposes or disclose to a competitor or other third-party any proprietary data that has been entrusted to the Company by a customer or supplier

integrity

Conflict of Interests

Corporate Opportunities & Resources

You are prohibited from taking for yourself or giving to others personal opportunities that are discovered through the use of corporate property, information or position without approval. Without approval, you may not use corporate property, information or position for personal gain. No employee may compete with the Company directly or indirectly except as permitted by Company policies.

National may be entrusted with property or valuable non-public confidential information belonging to customers, suppliers, the Company's employees, or other persons. You may not use for personal gain any property or valuable non-public confidential information provided to National by customers, suppliers, the Company's employees, or other persons.

All employees and non-employee directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Company assets should be used for legitimate business purposes, although minor Company resources may be used for personal purposes so long as such use is reasonable, does not cumulate to significant or abusive levels, does not interfere with your duties, is not done for pecuniary gain, does not conflict with the Company's business and does not violate any Company policy. You may never use for personal purpose any property or valuable information entrusted to the Company which belongs to customers, suppliers, the Company's employees, or other persons.

Indirect Interests and Relationships

A conflict of interest can also arise because of the business activities of your close relations. For example, an employee may have a potential conflict of interest wherever a close relative has a significant relationship with, or has a significant financial interest in, any supplier, customer or competitor.

You should not make or attempt to influence any decision that could directly or indirectly benefit your close relative. To protect yourself and the Company from the appearance of a conflict of interest, you should disclose the interest to the Office of Business Conduct and Ethics if you are an employee other than a Designated Executive. If you are a non-employee director or Designated Executive, you should make disclosure to the Audit Committee.

Question:

Is it okay for me to go into business for myself, marketing a product that I developed as an employee of National?

Answer:

There are several ways this situation could present a problem for you. You definitely may not proceed if the product that you developed utilizes any confidential or trade secrets of National. If your product competes with a National product; if it relates to any part of National's business; or if your business interferes with your ability to get your National job done, then there is a potential problem. To ensure that there is not a conflict, you should disclose your plans to the Legal Department or the Office of Business Conduct and Ethics.

Business Relationships



National seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. You must deal fairly with the Company's customers, suppliers, competitors and employees and you must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair-dealing practice.

Customer Relationships

Our customers are of the utmost importance to National. You should always treat customers and potential customers according to the highest standards of business conduct.

Employees should follow these guidelines in selling our products and services:

- Sell on the strength of our Company and our products and services
- Do not make claims about our products or services unless the claims can be made in good faith
- Avoid making disparaging comments about the products and services of competitors unless they can be substantiated
- If a potential customer has a contract with a competitor, or has placed a firm order with a competitor, do not try to convince the customer to breach that contract or order
- To maintain the Company's valuable reputation, compliance with quality processes and safety requirements is essential. National's products and services must be designed and manufactured to meet our obligations to customers. All inspection and testing must be handled in accordance with all applicable requirements and specifications. Product documentation, including inspection and testing documentation, must comply with and be handled in accordance with all applicable requirements
- Employees involved in proposals, bid preparations or contract regulations should strive to ensure that all statements, communications, and representations to prospective customers are truthful and accurate

Business Relationships

Suppliers

National's suppliers—companies and individuals that sell products and services to National—are important to our business. National employees should always treat suppliers and potential suppliers in accordance with the highest standards of business conduct.

Suppliers should be selected on the basis of objective criteria, such as value (quality for price), price, technical excellence, service reputation and production/service capacity. Purchasing decisions must be made with integrity, honesty, independence, and unbiased judgment.

Employees working with current suppliers should never intentionally interfere with a supplier's contracts or business relations with a competitor of National.

Individuals with procurement responsibility should review the sections of this Code concerning fair competition and should be familiar with applicable laws and Company policies.

Sales Agents, Representatives, Distributors, and Consultants

Agreements with sales representatives, agents, marketing consultants, distributors and other parties, must adhere to National policy and applicable U.S. and foreign laws and regulations.

Contracts and Commitments

No employee may enter into any agreement binding National without express authorization. The Company has instituted contract and signature approval policies which identify those individuals who have the authority to approve and sign certain contracts binding National and its subsidiaries. If there are any questions about which employees have signature authority for a given contract, contact the Office of Business Conduct and Ethics.

accountability

Fair Competition

Fair competition laws, are enforced in an increasing number of countries around the world. Generally speaking, these laws, including the U.S. antitrust laws, are designed to prohibit agreements or actions that reduce competition and harm consumers. We conduct our business in a manner designed to comply with these fair competition laws. You may not enter into agreements or discussions with competitors that have the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers. You must take special care in collecting competitive information to ensure fair competition laws are not violated. U.S. and foreign antitrust laws also apply to imports and exports.

Question:

I am a member of a professional organization whose members include auditors and other consultants employed by some of our major competitors. At association meetings, we often discuss a variety of business-related issues, including pertinent legislation, changes to professional standards and technological advances in business-application software. Does this violate any antitrust laws?

Answer:

No, but you must use caution in these situations. In particular, you must avoid discussing customers, pricing policy or other competitive terms and conditions of any contracts, plans for new or expanded services, and other proprietary, competitively sensitive or confidential information, whether it pertains to the Company or a competitor. You should not discuss any of these matters even in general terms. For example, you should not discuss plans to increase or decrease prices, impose a new charge or term or condition of sale with a competitor even if the discussion does not involve the exact terms. Leave any meeting at which such topics arise and. Immediately report any discussion, action or transaction that may involve prohibited conduct to the Legal Department or the Office of Business Conduct and Ethics.

Question:

A friend who used to work for a competitor has offered me confidential information from the competitor for use in my job. Can I accept this information?

Answer:

No and contact the Legal Department or the Office of Business Conduct and Ethics to report this conversation.



Gifts, Gratuities, Entertainment, and Other Consideration

Use of Company funds or other Company property for illegal, unethical or otherwise improper purposes is prohibited. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and a sound working relationship, not to gain personal advantage with customers or suppliers.

Gifts

Except as set forth below, without approval by the Office of Business Conduct and Ethics, employees and non-employee directors should refrain from giving and receiving business-related gifts.

- You may not solicit or accept a gift (including any payment, compensation, loan or other financial favor) to or from a person or organization with the intention of influencing the recipient's business judgment or conduct relating to National. Giving or accepting unsolicited gifts having a nominal value where there is a business benefit or purpose for the gift and any benefits received which do not influence, or appear to influence, selection and purchasing decisions is permitted. In some countries, gifts having a greater value are customary and may be given or accepted with the approval of the Office of Business Conduct and Ethics
- It is never appropriate or permissible to accept or give cash or a cash equivalent from or to a vendor, supplier or customer outside the Company's normal business. Cash equivalents include, among other things, checks, money orders and vouchers
- Rules relating to U.S. and foreign government personnel are more stringent. See "Doing Business Internationally" and "Government Contracting"
- No employee may accept a customer, vendor or supplier discount unless it is generally available to the public or is otherwise approved

Loans

Employees may not accept loans from any person or entities having or seeking business with the Company. Designated Executives, other executive officers and Non-Employee Directors may not receive loans from the Company, nor may the Company arrange for any loan.

Meals, Entertainment, and Travel

Employees may provide or accept meals and entertainment, including attendance at sporting or cultural events, as long as it is associated with an occasion at which business is discussed and is provided as a normal part of business. The value of the activity must be reasonable and permissible under National's expense account procedures. Employees must insure that such activities are necessary, that they are properly documented, and that their value and frequency are not excessive under all the applicable circumstances. In addition to expense account reimbursed entertainment, you may socially entertain friends or relatives doing business with the Company and these occasions need not be documented provided that expenses for this entertainment are not reimbursable by the Company.

Rules relating to U.S. and foreign government officials are more stringent. See "Doing Business Internationally" and "Government Contracting".

Investment Activities

Unless pre-approval is obtained, employees may not:

- Participate in so-called “directed shares,” “friends and family,” and similar stock purchase programs of customers, vendors or suppliers of National
- Invest in non-public companies that are, or are likely to be, customers, vendors or suppliers of National
- Invest in non-public companies in which National has made or is expected to make an investment

Investments that you do not personally control, such as investments by funds or discretionary accounts that do not consult you before making an investment decision, are exempt from this requirement.

Non-Employee Directors who become aware that any of their personal investments fall into the above categories should disclose such to the Audit Committee.

Anti-Corruption Compliance

We abide by the anticorruption treaties and laws of the jurisdictions in which we do business, including the U.S. Foreign Corrupt Practices Act (“FCPA”). Broadly speaking, anti-corruption laws prohibit companies or their affiliates from bribing a foreign government official in order to obtain or retain business.

National Semiconductor policy prohibits employees from using improper, unethical or questionable business practices or participating in or facilitating corrupt activities of any kind while conducting business on its behalf. The use of Company funds, facilities or property for any illegal or unethical purpose is strictly prohibited.

We must never offer, attempt to offer, authorize or promise any sort of bribe or kickback to a government official for the purpose of obtaining or retaining business or an unfair advantage. We must never solicit or accept a bribe or kickback.

These same rules apply to our agents. Our agents, consultants, or other third parties acting on our behalf, are prohibited from doing indirectly what we are prohibited from doing directly. We cannot make any payment to a third party if any part of the payment will be given to a prohibited person. Although they may be legal in limited specific purposes, National prohibits making small payments to government officials to obtain ministerial governmental services, sometimes called “facilitating payments.” In addition, no one acting on National’s behalf may make such a payment.

When doing business with governments (including state owned enterprises), consult with National’s Legal Department to be certain you are aware of any special rules that apply and obtain approval from National’s Legal Department before providing anything of value to a government official.

Gifts, Gratuities, Entertainment, and Other Consideration

In addition, National may not engage in commercial bribery, which occurs when one company provides a bribe or kickback to another company to obtain or retain business. This means we may not offer anything that exceeds nominal or token value to a supplier, client or business partner, or to anyone working on its behalf. These requirements apply both to National employees and agents such as third party representatives and service providers, no matter where they are doing business.

Anti-corruption laws are complex and the consequences for violating these laws are severe. Engaging in bribery, or even appearing to engage in such activity, can expose at-fault individuals and National to criminal liability. Because of the complexity of these laws, you are required to contact National's Legal Department if ever in doubt about how to act. Report demands for bribes or kickbacks immediately to National's Legal Department or the Office of Business Conduct and Ethics.

We monitor compliance by requiring certain employees to certify once a year that they have no knowledge of any improper payments made or received. Any questions concerning this process should be directed to National's Legal Department or the Office of Business Conduct and Ethics.



Doing Business Internationally



National is committed to the highest business conduct standards wherever it operates. National observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to doing business in the worldwide marketplace, the following guidelines always apply:

- Observe all laws and regulations, both U.S. and non-U.S., that apply to business abroad
- Do not cooperate with illegal boycotts, such as the boycott of Israel by Arab states
- Observe all licensing requirements and the requirements of applicable import and export laws
- Do not enter into an agreement with an agent or consultant or other third party that relates to National's business outside the United States unless it has been approved by the Company
- Observe all applicable privacy and data protection laws and regulations

The laws governing National's business in foreign countries are extensive and complex, and may be different from those in the United States. No new National services or products should be offered in any new country without prior approval, including approval by National's Export and Customs Administration Group, and then only in accordance with the applicable local country's regulations and requirements.



Doing Business Internationally

Import and Export Regulation/Trade Compliance

Because of the international nature of our business, National is subject to the import and export laws and regulations of the United States and certain foreign governments. These laws and regulations govern the international transfer of all products and services of National, as well as technology, information and ideas belonging to National.

Under U.S. law, no technology may be exported without the proper government export licenses and documentation. Exports of technology include not only technology shipped via freight, but also technology that is hand-carried (employees traveling overseas), sent via courier services or U.S. mail, electronically transmitted or accessed, and/or disclosed to foreign nationals in the United States or abroad. "Technology" is very broadly defined and includes without limitation hardware, software, technical documentation, product specifications, technical data, as well as the ideas behind them.

It is your responsibility to ensure that proper documentation accompanies each export or disclosure. Failure to export or re-export without the proper export license or documentation can jeopardize National's compliance with U.S. export laws, as well as those laws of foreign countries. Non-compliance can result in denial of export privileges, criminal penalties, seizure of products, and fines to National and its employees.

It is National's policy to comply fully with all applicable U.S. and foreign laws controlling the export and re-export of products, technology (including software) and services. You must exercise the necessary diligence to ensure that National complies with all applicable U.S. and foreign government regulations regarding exports. Any questions concerning export compliance should be addressed to the Export and Customs Administration Group.

Question:

My group has asked me to hand carry a sample product from the United States to Malaysia. Is there any problem with me doing this?

Answer:

There may be. Compliance laws and regulations change from time to time. To ensure compliance with those laws and regulations, check with the Export and Customs Administration group each time that you are carrying product, software or technical information with you outside the country. Also, if the samples are not declared as you enter Malaysia, you may be in violation of Malaysian import laws and be subject to the laws regarding smuggling.

Antiboycott Compliance

The United States has enacted antiboycott regulations that make it unlawful for U.S. persons to participate in any activity that could have the effect of promoting or supporting a boycott or restrictive trade practice of another country against customers or suppliers located in a country friendly to the U.S. or against a U.S. person, firm or corporation. Boycott issues arise most frequently in connection with the Arab boycott of Israel. Prohibited actions include, but are not limited to, furnishing information about business relationships with boycotted countries, or information about race, religion, sex or national origin. Requests for such information often appear in requests for proposals, shipping documentation, and letters of credit, but can occur in any context. You need to be sensitive to requests for such information. Any request for such information or to participate in boycott activities should be immediately reported to National's Legal Department or the Office of Business Conduct and Ethics. Violation of the antiboycott regulations can lead to significant sanctions, including fines, prison terms, and denial of export privileges.

Question:

I received a request from a potential customer located in the Middle East to certify that National does not sell products in Israel. What should I do?

Answer:

Contact the Legal Department or the Office of Business Conduct and Ethics immediately. Under no circumstances should you reply to the request.

Privacy and Data Protection Compliance

Many countries (including Canada, Argentina, Japan, Hong Kong and Australia and the European Union's Member States) have strict rules with respect to collection, use, disclosure and transfer of personal information about individuals, such as employees and consumers. Personal information includes any information that identifies or can be used to identify an individual, such as name, home address, contact information, or employee personnel information. Certain countries restrict transmission of personal information beyond their borders, unless certain requirements have been met. All employees should use care with respect to collection, storage and transmission of any personal information to ensure compliance with applicable privacy and data protection laws and regulations. All employees in any location should raise any questions about appropriate treatment of personal information with the Office of Business Conduct and Ethics.

compliance

Government Contracting

Detailed laws and regulations govern virtually every aspect of doing business with the U.S. government and its agencies. Activities that might be permitted when working with the private sector may be improper or even illegal when a national or local government is the customer.

You must adhere to the highest standards of honesty and integrity in your relations with government officials and employees. You should observe the following principles when bidding or performing government contracts:

- Do not offer or provide meals, transportation, gifts or other consideration to government employees except as permitted under applicable law and Company policy
- Obey the regulations governing current and post-government employee conflicts of interests. Obtain all appropriate government approvals prior to recruiting or hiring current or former government employees
- Obtain appropriate licenses prior to exporting or even discussing certain technologies with citizens of other countries
- Obey any requirements that may restrict access to source selection or competitive information
- Do not misstate or omit any information, and make sure that all statements, communications, and representations are truthful, accurate and complete, when dealing with government agencies
- Ensure that all work time is recorded properly and promptly so all costs are charged to appropriate accounts



National employees who deal with government representatives are responsible for knowing and obeying the laws and regulations applicable to doing business with the U.S. government, as well as complying with all National specifications and policies regarding government business.

Question:

A potential U.S. Government customer will be in town next week to discuss doing business with National. I plan on going to lunch at an inexpensive local restaurant. Can I pay for the Government employee's lunch?

Answer:

No. The U.S. Government has strict regulation governing gifts, gratuities, meals and entertainment. All Government employees need to pay for their own way for any meals or entertainment incurred.

Political Contributions and Lobbying

National employees and directors who hold security clearances granted by the U.S. government in connection with their work for National must comply with all limitations and requirements of the clearance.

No political contributions can be made using National funds or assets to any political party, political campaign, political candidate or public official in the United States or any foreign country, unless the contribution is lawful and expressly authorized. In addition, you may not make a political contribution on behalf of National or its subsidiaries, or with the appearance that such contribution is being made on behalf of National or its subsidiaries, unless expressly authorized. A “contribution” is any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, services or anything of value in connection with an election or to an organization or group formed to support or defend a referendum or ballot issue.

Nothing in this Code is intended to discourage you from making contributions of your own time or funds to political parties or candidates of your choice. However, you will not be compensated or reimbursed by National for any personal contributions.

You may not hire outside counsel or a public affairs firm to contact government officials regarding legislation, regulatory policy, or rule making on behalf of the Company unless you have obtained the appropriate approvals through National’s Government Affairs department and the Office of Business Conduct and Ethics. This includes grassroots lobbying contacts.

Question:

How do I keep my personal involvement in politics from appearing to be National’s involvement?

Answer:

Don’t use Company time or resources for personal political activity. For example, don’t use Company letterhead to send out personal letters to a Government Official. Company resources, including telephones, must not be used in support of a political campaign.

fairness

Accuracy of Reports, Records, and Accounts



Accurate and reliable records are of critical importance in meeting our financial, legal and business obligations. You are responsible for the accuracy of your respective records, time sheets and reports. Accurate information is essential to National's ability to meet legal and regulatory obligations and to compete effectively. The records and books of account of National must meet the highest standards and accurately reflect the true nature of the transactions they record. The Company has detailed financial accounting policies which must be complied with at all times to ensure that all financial reports and records fairly, completely, and accurately present the Company's results and financial situation. Destruction of any records, books of account or other documents except in accordance with National's document retention policy is strictly prohibited.

You must not create false or misleading documents or accounting, financial or electronic records for any purpose, and you may not direct an employee of National to do so. For example, expense reports must accurately document expenses actually incurred in accordance with National policies. You must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose. Employees are also responsible for accurately reporting time worked.

No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation or for any purpose other than as described in the documents. You must comply with generally accepted accounting principles and the Company's internal controls and financial accounting policies at all times.

Employees responsible for SEC reports must ensure that there is full, fair, accurate, timely and understandable disclosure in all SEC reports. Such employees should work closely with and review SEC reports with the Disclosure Controls Committee. All disclosure issues should be reported to and reviewed by the Disclosure Controls Committee.

Government Investigations

You must promptly notify National's General Counsel of any government investigation or inquiries from government agencies concerning National. You should not destroy any record, books of account, or other documents relating to National except in accordance with the Company's document retention policy. In particular, if you are aware of any government investigation or inquiry, you should not destroy any record, books of account, or other documents relating to National unless advised by National's General Counsel and the Office of Business Conduct and Ethics that you may continue to follow the Company's normal document retention policy.

You must not obstruct the collection of information, data or records. The Company provides information to the government that it is entitled to during an inspection, investigation, or request for information. You must not lie to government investigators or make misleading statements. You must not try to cause any employee to fail to provide accurate information to government investigators.

accountability

Insider Trading: Communications with Third Parties

If you have access to confidential information, you are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business.

Insider Trading

Inside information is material information about a publicly traded company that is not known by the public. Information is deemed “material” if it could affect the market price of a security or if a reasonable investor would consider the information important in deciding whether to buy, sell or hold a security. Inside information typically relates to financial conditions, such as progress toward achieving revenue and earnings targets or projections of future earnings or losses of the Company. To the extent material and nonpublic, inside information also includes changes in strategy, information regarding a proposed merger, acquisition or tender offer, new products or services, contract awards and other similar information. Inside information is not limited to information about National. It also includes material non-public information about others, including National’s customers, suppliers, and competitors.

Insider trading is prohibited by law. It occurs when an individual with material, non-public information trades securities or communicates such information to others who trade. The person who trades or “tips” information violates the law if he or she has a duty or relationship of trust and confidence not to use the information.

Trading or helping others trade while aware of inside information has potential serious legal consequences, even if the insider does not receive any personal financial benefit. Insiders may also have an obligation to take appropriate steps to prevent insider trading by others.

Communications with the Media and the Financial Community

National communicates with the press and with the financial community through official channels only and you should not communicate with the press or financial community unless you have been specifically authorized to do so. The Company provides accurate and timely information about its business to investors, the media, and the general public. All inquiries received from financial analysts or the media concerning National should be directed to National Investor Relations or Public Relations. All legal inquiries concerning National should be referred to the Legal Department. All inquiries regarding current or former employees of National should be referred to the Human Resources Department.

Question:

A friend in the Finance Department told me that National is planning a significant acquisition. He believes that the financial community will favorably receive news of this acquisition and expects our stock price to increase upon the public announcement. Based on this information, I plan on purchasing about 5,000 shares of National stock. Is this okay?

Answer:

No. Information that your friend has shared with you is inside information. You cannot purchase any National stock until the information is made public. In addition, your friend should not be sharing this inside information with you since you do not have a need to know it.

Confidential Information

You must maintain the confidentiality of information entrusted to you by the Company or its customers, suppliers, employees or other persons except when disclosure is authorized or legally mandated. Confidential information includes all non-public information, including information that might be of use to competitors, or harmful to the Company or its customers if disclosed. You must use the same care to protect any confidential information entrusted to the Company which belongs to customers, suppliers, the Company's employees, or other persons, as must be used to protect the Company's assets and confidential information.

The Company expects all of its employees to educate themselves about and be alert to threats to security of confidential information entrusted to the Company and its employees.

Confidential information within the Company's possession can include (i) confidential proprietary information about the Company's business including but not limited to trade secrets, other proprietary information, and information which may be patentable; (ii) confidential information entrusted to the Company by third parties such as customers, suppliers, or other third parties; and (iii) personally identifiable information received from employees, customers, suppliers, or other third parties which if misused could result in identity theft, credit card fraud or other serious harm.

As noted above, personal information may be subject to protection under federal, state or local laws in the U.S., or under laws of other countries and may not be transmitted from one country to another country without prior managerial approval.

Confidential information may not be disposed of except pursuant to the Company's approved methods of disposal. If you have questions about how to appropriately handle or dispose of confidential information, you should immediately bring your questions to the attention of management before taking any action with respect to it.

Question:

I need to work with a customer on a project and think that I should have the customer sign a non-disclosure agreement (NDA). However, I don't know exactly when one is required and do not know the process involved.

Answer:

National's standard NDA form, also known as the Confidential Non-Disclosure Agreement, and instructions for completing the form can be found at the [Corporate Contracts Web site](#). Follow the directions indicated and be sure to forward the original signed non-disclosure agreement to the Legal Department for inclusion in the database.

Technology Use

National provides various technology resources (including computers, telephones, software, copying machines, Internet access, email and voice mail) to authorized employees to assist them in performing their job duties for the Company. You have the responsibility to use the Company's technology resources in a manner that complies with applicable laws and Company policies, increases productivity, enhances the Company's public image and is respectful of other employees. Detailed guidelines are set forth in National's Use of Information System Policy.

Authorization

Access to the Company's technology resources is within the sole discretion of the Company and subject to Company policies. Generally, employees are given access to the Company's various technologies consistent with their job functions. The Company reserves the right to limit such access by any available means, including revoking access altogether.

Prohibition Against Violating Copyright Laws

You may not use the Company's technology resources to copy, retrieve, forward or send copyrighted materials unless you have the author's permission or are accessing a single copy only for your own reference.

Violation of copyright laws is a potential financial and legal liability for both the Company and the offending employee.

Other Prohibited Uses

You may not use any of the Company's technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties on an unauthorized basis, or for personal gain.



Our Work Environment



The diversity of the Company's employees is a tremendous asset. National is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. In addition, the Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. The Company's Equal Employment Opportunity Policy and Harassment Policy contain additional guidelines.

The Company has instituted policies on personal conduct that are designed to maintain appropriate and ethical behavior in the work place. Prohibited personal conduct is set forth in the Company's Human Resources Policies and Guidelines under "Personal Conduct."

Question:

Several of the people in my office are constantly commenting on features of the human anatomy. These comments are made in front of me and often within earshot of the person whom they are describing. Is there a way to get this talk to stop without alienating my co-workers?

Answer:

Comments such as these are inappropriate in a work environment. If you are not comfortable speaking to your co-workers about your unease with this situation, speak with your supervisor or your Human Resources Representative. You may also call the Office of Business Conduct or the 24-hour Business Conduct Help line.

diversity

Environmental

National must fully comply with all state and federal laws relating to the protection of the environment in the conduct of our business. Employees must use, store and dispose all hazardous materials properly and in accordance with applicable laws and regulations. Employees must report, in accordance with Company policies, all circumstances under which hazardous materials or wastes come in contact with the environment, are improperly handled or disposed of, or where a potential violation of law may exist.

Question:

What are some things National does to protect workers?

Answer:

National provides safeguards and engineering controls, which include protective gear and equipment as well as workplace monitoring, to provide safe operations in all our manufacturing sites. In addition, National trains all our manufacturing employees about potential chemical hazards and proper chemical handling procedures. We have procedures in place encouraging employees to report all concerns or issues regarding worker health and safety at any time without fear of reprisal. We employ a medical, safety and environmental safety staff to monitor employee health and ensure that our protective measures and safety training are maintained to the highest standards.



health

Compliance and Reporting

Compliance

To assure compliance with applicable laws and regulations, National has established various policies and procedures (which are not part of this Code), including but not limited to those relating to financial reporting and accounting practices and insider trading. Employees may view those specific Company policies and procedures on National's Business Conduct and Ethics website.

Employees have an obligation to comply with this Code as well as those other Company policies and procedures and to promptly alert management of any deviation from them. Employees are strongly encouraged and have an obligation to raise concerns promptly when they are uncertain as to the proper legal course of action or they suspect that some action may violate the law.

Failure to comply with this Code and other Company policies and procedures can have severe consequences, including disciplinary action up to and including termination, as well as possible civil or criminal penalties. Willful disregard of criminal statutes underlying this Code may require the Company to refer such violation for possible criminal prosecution.

Reporting Violations by Others

National is committed to complying with all applicable laws that protect employees against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting complaints or participating in investigations regarding the Company's accounting practices, internal accounting controls, or corporate fraud or other violations by the Company or its agents of federal or state law.

No employee will be subject to disciplinary or retaliatory action by the Company as a result of the employee:

- Disclosing information to a person at the Company with supervisory authority over the employee, the Audit Committee, or a federal or state legislative body or law enforcement or regulatory agency, where the employee reasonably believes that the information discloses a violation or possible violation of federal or state law or regulation, this Code of Business Conduct and Ethics, or other policies of the Company
- Testifying or participating in an investigation or proceeding by the Company, the Audit Committee, or a state or federal regulatory agency regarding any conduct that the employee reasonably believes violates federal or state law or regulation, this Code of Business Conduct, or other policies of the Company

However, employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to disciplinary action, including the termination of employment. In addition, except to the extent required by law, the Company does not intend this policy to protect employees who violate the confidentiality of any applicable lawyer-client or physician-patient privilege to which the Company or its agents may be entitled or who violate their confidentiality obligations with regard to the Company's trade secret information.

Compliance and Reporting

Any employee having knowledge of an actual or possible violation by National, its employees, or non-employee directors of federal or state law or regulation, including but not limited to laws concerning securities fraud is required to promptly report the matter to his or her immediate supervisor, the Legal Department or to the Office of Business Conduct and Ethics.

In addition, where permitted by local law, an employee may submit complaints, concerns and information regarding the matters described in this Code anonymously by calling the National Ethics Help Line from anywhere in the world at 1-877-319-0269. If calling from outside the U.S., dial your country's international exit code and then 1-877-319-0269; Reports may also be submitted on-line from anywhere in the world at <http://secure.ethicspoint.com/en/default.asp>.

Employees with information relating to questionable accounting or auditing matters are strongly encouraged to confidentially, and anonymously (subject to local law) if they desire, submit the information in writing to the Company's Audit Committee at:

**Secure Mail Box
National Semiconductor Corporation
Office of Business Conduct and Ethics
P.O. Box 70040, Sunnyvale, CA 94086-0040.**

Emails may be sent to business.conduct@nsc.com but email does not have the capability of anonymity.

All conversations, calls and reports made in good faith will be taken seriously. When reporting a violation, employees will be asked to provide the time, location, names of the people involved, and other details so that the Company can investigate. National prohibits retaliation or retribution against any person who in good faith reports an ethical concern. However, anyone who abuses the Code or any compliance program for an improper purpose such as spreading falsehoods, threatening others, or damaging another person's reputation will be subject to disciplinary action up to and including termination.

Employees who believe that they have been subjected to any conduct that violates this policy may file a complaint using the procedures outlined above. Any employee who unlawfully discriminates, harasses or retaliates against any employee as a result of his or her protected actions as described in this policy may be subject to disciplinary action, including termination.

Employees who believe that they have been subjected to any conduct that violates this policy may file a complaint using the procedures outlined above. Any employee who unlawfully discriminates or retaliates against any employee as a result of his or her protected actions as described in this policy may be subject to corrective action, including termination.

Other Inquiries

Questions regarding the policies in this Code may be directed to the Office of Business Conduct and Ethics or the Legal Department. Managers and supervisors provide timely advice and guidance to employees on ethics and compliance concerns and are expected to take a leadership role in promoting ethical business conduct.

This Code is intended to clarify your existing obligation for proper conduct. The standards and the supporting policies and procedures may change from time to time at the Company's discretion. Each employee is responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that apply to the Company's work.

Question:
When in Doubt, Ask Yourself...

- Is it legal?
- Is it against Company policy?
- Is it against the Code of Business Conduct & Ethics?
- Is it the "right" thing to do?
- Will it reflect negatively on you or the Company?
- How would it look in the newspaper?
- Who else could be impacted by this decision (the Company, your co-workers, our customers, etc)

This document is provided in Chinese, Japanese, and Bahasa Malay — for the convenience of employees around the world. If there is any discrepancy in these different language versions, the English version is considered as final.

Revision B, September 23, 2010

Other Resources

[Business Conduct and Ethics web site](#)

[Export and Customs Administration web site](#)

[Human Resources and Policy Guidelines](#)

[EHS web site](#)

[Mil/Aero Spec MAS 1-002 Time Keeping Policies and Procedures](#)

[Government Affairs web site](#)

[Corporate Contracts web site](#)

[Intellectual Property web site](#)

[Finance Policy Manual](#)

[Travel Operating Procedures](#)

[IS Standards web site](#)

[Legal Department web site](#)

Worldwide Design Centers and Manufacturing Facilities



- Design Centers
- Manufacturing Facilities

Design Centers

USA:

Federal Way, Washington
Fort Collins, Colorado
Grass Valley, California
Indianapolis, Indiana
Longmont, Colorado
Norcross, Georgia
Phoenix, Arizona
Santa Clara, California
South Portland, Maine
Tucson, Arizona

EUROPE:

Delft, Netherlands
Fürstfeldbruck, Germany
Eindhoven, Netherlands
Greenock, Scotland
Milan, Italy
Oulu, Finland
Tallinn, Estonia

ASIA:

Bangalore, India
Hong Kong, China

Manufacturing Facilities

Wafer (Die) Fabrication:

Greenock, Scotland
South Portland, Maine

Chip Test and Assembly:

Melaka, Malaysia

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