

INTERSIL CORPORATION CORPORATE GOVERNANCE GUIDELINES

Intersil Corporation (“Intersil” or the “Company”) believes that a good system of corporate governance is essential to its objective of growing shareholder value. In achieving this objective, the interests of the Company’s shareholders, employees, customers, partners and suppliers, and local communities must be balanced. While balancing the interests of the Company’s many divergent constituents may be difficult, the Company cannot continue to grow shareholder value without fairly treating of all these constituents who contribute to the growth of shareholder value. The following guidelines establish the basic principles of corporate governance by which Intersil operates.

A. Role of the Board

The directors of Intersil are elected by the Company’s shareholders to oversee the actions of the Company’s management. Their responsibilities include:

- Providing general oversight of the business
- Approving corporate strategy
- Approving major management initiatives
- Providing oversight of legal and ethical conduct
- Selecting, compensating, and evaluating directors
- Evaluating Board processes and performance
- Selecting the chief executive officer
- Ratifying the compensation of the chief executive officer
- Evaluating, and, when necessary, replacing the chief executive officer
- Ensuring that a succession plan is in place for all senior executives

B. Composition of the Board

1. Board Size

The Company’s Certificate of Incorporation permits the Board to have up to eleven members. The Board periodically reviews whether it is appropriately sized, and may adjust its size if the circumstances warrant such a change.

2. Director Independence

A majority of the directors on the Company’s Board are independent directors, as defined in these guidelines. The chief executive officer is a Board member. Other officers may, from time to time, be Board members, but no officer, other than the chief executive officer, should expect to be elected to the Board by virtue of his or her position in the Company.

3. Criteria to Qualify as an Independent Director

For purposes of these guidelines, a director is considered independent if he or she meets all of the following criteria:

- Is not an employee or former employee of the Company
- Is not a relative of an executive officer
- Has no material connection with the Company (either individually or as an executive officer or controlling shareholder of an entity) as a substantial customer or supplier of goods or services or recipient of substantial grants or contributions
- Does not obtain compensation from the Company, directly or indirectly, other than directors' compensation and dividends

Additionally, members of the Audit, Compensation, and Nominating and Governance Committees must meet all applicable independence tests of the NASDAQ Stock Exchange and the Securities and Exchange Commission. The Board is responsible for determining the independence of directors in accordance with these criteria. The Nominating and Governance Committee reviews new non-employee director candidates to ensure their independence before recommending them for election. That Committee also confirms the independence of each non-employee director annually and makes recommendations to the Board. Members of the Compensation Committee, or relevant subcommittee of the Compensation Committee, who establish, and certify the attainment of, performance goals under which performance-based compensation is paid must qualify as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code.

C. Candidates for Board Membership

The Board is responsible for selecting candidates for Board membership and for establishing the general criteria to be used in identifying potential candidates. The Board delegates the screening process to the Nominating and Governance Committee, which receives direct input from other Board members.

1. Background and Experience

The Board selects director candidates who represent a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. The Board is particularly interested in maintaining a mix that includes, but is not necessarily limited to, the following backgrounds:

- Active or retired chief executive officers
- Senior executives experienced in semiconductor operations, marketing or sales
- Senior finance executives
- Senior executives with international business experience
- Senior government, academic, and public policy executives
- Senior electronic technologists

The Board believes that cultural and geographical diversity should be a consideration in selecting Board members, consistent with meeting the other criteria set forth in this section. The Nominating and Governance Committee periodically reviews with the Board the criteria for the selection of directors.

2. Other Board Service

Board members are permitted to serve on the Boards of other companies so long as those commitments do not create material actual or potential conflicts and do not interfere with the director's ability to fulfill his or her duties as a member of the Board. The number of other Boards that members may serve on is limited to a maximum of four publicly-traded companies. The Nominating and Governance Committee takes into account the nature and time involved in the director's service on other Boards in assessing director nominees. Directors should advise the Chairman of the Board, the Chairman of the Nominating and Governance Committee and the Corporate Secretary in advance of accepting an invitation to serve on another public company Board.

D. Director Tenure and Retirement Policy

1. Classes of Directors

The Board comprises one class of directors.

2. Term of Service

Each director is elected for a term of one year. The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the board for an extended period of time are able to provide valuable insight into the Company's operations and prospects based on their experience with the and understanding of the Company's history, policies and objectives.

3. Retirement from the Board

Directors shall retire from the Board not later than the annual meeting of shareholders that follows their 75th birthday, unless the Board determines, in its discretion, that the mandatory retirement policy should be suspended as to a particular director. Any such decision regarding a director who has reached the age of 75 shall be reviewed and reconsidered as to that director on an annual basis by the Board.

4. Changes in Principal Job Responsibilities

A director who changes principal job responsibilities or retires from his or her principal job will submit a letter of resignation to the Chairman of the Nominating and Governance Committee and the Corporate Secretary of such change or retirement. The Nominating and Governance Committee will assess the situation and make a recommendation to the Board as to whether the Board should recommend that director for re-election at the next Annual Meeting of Shareholders. Such letter of resignation shall only constitute formal notice of such change or retirement, and shall have no effect unless it eventually causes the director not to be re-elected at the next Annual Meeting of Shareholders. Should the

Nominating and Governance Committee decline to recommend to the Board that the director not be recommended for re-election, then such letter of resignation shall automatically be deemed to be rejected and of no effect.

E. Invitations to Join the Board

After the Nominating and Governance committee selects a candidate for Board membership, the Committee presents its recommendation to the Board for approval. Upon approval by the Board, the invitation to join the Board is extended to the candidate by the Chairman of the Board.

F. Board Compensation

1. Director Compensation Philosophy

The Board targets the overall value of non-employee director pay to the median of comparable U.S. semiconductor companies, with consideration of both the semiconductor industry and comparably sized leading U.S. companies as a whole. The form and amount of director compensation should give due regard to the interests of the directors, the Company, and the shareholders. The Board believes that directors should hold meaningful equity ownership positions in the Company.

2. Director Stock Ownership Guidelines

Consistent with the Board's director compensation philosophy, a significant portion of director compensation is paid in the form of Company equity. Each outside director receives annual stock awards such that within five years after election to the Board, he or she holds Company stock valued at twice the amount of the annual cash retainer payable to outside directors. Annual stock awards are made in the form of deferred shares.

3. Process for Approval of Board Compensation

The Compensation Committee retains a compensation consultant who reports annually to the Committee concerning the status of the Board compensation program relative to those of other comparable U.S. corporations. The consultant reports, and is directly accountable, to the Committee and the Committee approves any fees payable to the consultant. Any recommendations for changes in the Board compensation program are reviewed and recommended to the Board by the Compensation Committee.

G. Key Board Responsibilities

1. Selection of the Chairman and Chief Executive Officer

The Board customarily separates the role of chairman of the Board with the role of chief executive officer, believing this generally provides the most efficient and effective leadership model for the Company. The Board recognizes that, in certain circumstances, these roles could be assigned to the same person for a period of time. The Chairman of

the Nominating and Governance Committee recommends to the Board an appropriate process by which a new chairman and chief executive officer will be selected. The Board has no required procedure for executing this responsibility because it believes that the most appropriate process will depend on the circumstances surrounding each such decision.

2. Evaluation and of the Chief Executive Officer

The presiding director (as determined under these guidelines) is responsible for leading the non-management directors in executive session to assess the performance of the chief executive officer at least annually. The results of this assessment are reviewed with the chief executive officer and considered by the Compensation Committee in establishing the chief executive officer's compensation for the next year.

3. Succession Management

The chief executive officer develops and maintains a process for advising the Board on succession planning for the chief executive officer and other key senior leadership positions. The non-management directors are responsible for overseeing the succession and management development program for senior leadership. The chief executive officer reviews this plan with the independent directors at least annually.

4. Corporate Strategy

Once each year, the Board devotes an extended meeting to an update from management regarding the strategic issues and opportunities facing the Company, allowing the Board an opportunity to provide direction for the corporate strategic plan. These strategy sessions also provide the Board an opportunity to interact extensively with the Company's extended leadership team. This assists the Board in its succession management responsibilities. Throughout the year, significant corporate strategy decisions are brought to the Board in a timely way for its consideration.

5. Standards of Business Conduct

The Board approves the Company's Code of Corporate Conduct for its employees and directors. The Audit Committee ensures that proper compliance programs are in place.

H. Functioning of the Board

1. Executive Sessions of Directors

At every regular Board meeting, the independent directors meet alone in executive session without the officer-directors or other members of management present. In addition, from time to time, and at least twice annually, the independent directors meet in executive session with the chief executive officer.

2. Presiding Director

In the event that the roles of Chairman of the Board and Chief executive Officer are assigned to the same individual, the Chairmen of the Audit Committee, Compensation Committee and Nominating and Governance Committee will then rotate as presiding

director at executive sessions of the independent directors and the presiding director will lead the Board's process for selecting and evaluating the Chief Executive Officer.

3. Conflicts of Interest

A director's business or personal relationships may occasionally give rise to a material personal interest on a particular issue that conflicts, or appears to conflict, with the interests of the Company. A director must disclose to the Company all relationships that create a conflict or appearance of a conflict. The Board, after consultation with counsel, takes appropriate steps to identify actual or apparent conflicts and to ensure that all directors voting on an issue are disinterested with respect to that issue. In appropriate cases, a director will be excused from discussions on the issue.

4. Conflicts of Interest Unique to Officer-Directors

Only independent directors are involved in making Board decisions on certain matters of corporate governance. These include executive compensation and the selection, evaluation, and removal of the chief executive officer.

5. Orientation of New Directors and Director Education

The Company has an orientation process in place for new directors that includes comprehensive background briefings by the chairman and chief executive officer, the Company's senior officers, and the corporate secretary. The orientation program is the responsibility of the chairman and is administered by the corporate secretary. The Company provides ongoing education to directors in a number of ways, including:

- Financial and operational updates at each Board meeting
- Strategic review at the annual corporate strategy presentation
- Board intelligence materials regarding the Company, the semiconductor industry, the business and political environment, and corporate governance
- Annual presentations to the Board by internal or external experts on governance and Board fiduciary duties

6. Assessment of Board Processes and Performance

The Nominating and Governance committee is responsible for annually conducting an assessment of the performance of the Board, Board committees, and Board processes (including these guidelines), as well as for reviewing with the Board the results of these assessments. In preparing these assessments, the Committee develops and circulates to each director a questionnaire through which each director can provide input for the process. The committee also assesses the contributions of the individual directors every year when considering whether to recommend nominating the director to a new term.

7. Frequency of Board Meetings

The Board holds regularly scheduled meetings four times annually. In addition, the Board may hold additional meetings from time to time as determined by the needs of the business.

8. Director Attendance

Each director is expected to attend all meetings of the Board and Board committees of which the director is a member. The Board recognizes that occasional meetings may need to be scheduled on short notice when the participation of a director is not possible and that conflicts may arise from time that will prevent a director from attending or participating in a regularly scheduled meeting. However, the Board expects that each director will make every possible effort to keep such absences to a minimum.

9. Selection of Agenda Items for Board Meetings

The Chairman of the Board establishes the agenda for each Board meeting. Each director may suggest the inclusion of additional items on the agenda. Each director may raise at any regular Board meeting subjects for discussion that are not on the meeting's formal agenda. Information that is important to the Board's understanding of the business of the Company is distributed to the Board prior to each Board meeting and periodically, as appropriate, between Board meetings.

10. Regular Attendance of Non-directors at Board Meetings

The chairman, at his or her discretion, invites executive officers of the Company to attend all the non-executive sessions of Board meetings. The chairman, at his or her discretion, also invites other members of management to attend all or part of specific Board meetings.

11. Director Access to Management and Independent Advisors

Independent directors have direct access to members of management whenever they deem it necessary. The independent directors and committees are also free to retain their own independent advisors, at the Company's expense, whenever they feel it would be desirable to do so. In accordance with NASDAQ listing standards, the audit, compensation, and Nominating and Governance committees have sole authority to retain independent advisors to their respective committees.

12. Board Interaction with Investors, the Press, Customers, and Others

The Board believes that management should speak for the Company. Individual directors may, from time to time, receive requests for comment from various constituencies who are involved with the Company. If comments from the Board are appropriate, they should ordinarily come from the chairman or from the Company's designated spokesperson. However, in unusual circumstances it may be appropriate for a shareholder or other interested party to raise a concern directly with the independent directors. Persons who wish to contact the independent directors should address their communications in writing to the Board, in care of the Company's Corporate Secretary.

I. Board Committees

1. Number, Structure, and Independence of Committees

The Board has established the following committees:

- Audit Committee: The Audit Committee oversees the Company's accounting, internal controls, financial reporting and disclosures. The Audit Committee annually appoints the independent auditors, reviews the services to be performed by the independent auditors, and exercises oversight of their activities. It also determines the duties and responsibilities of the internal auditors, reviews the internal audit program, and oversees other activities of the internal auditing staff. The Audit Committee also oversees compliance with the Company's Code of Corporate Conduct as it relates to financial and accounting matters.
- Nominating and Governance Committee: The Nominating and Governance Committee recommends to the Board candidates for membership on the Board and Board committees. It also oversees matters of corporate governance, including Board performance.
- Compensation Committee: The Compensation Committee evaluates and establishes the compensation of executive officers, evaluates and recommends to the Board the compensation of Board members and administers the deferred compensation plan, the Company's stock option plans, and other management incentive compensation programs.

The charter of each committee is reviewed and approved annually by the respective committee and by the Nominating and Governance Committee. Committee charters are publicly available on the Company's investor relations website along with these guidelines. The Board has the flexibility to form and disband new committees (but not the Audit, Compensation, and Nominating and Governance Committees), as it deems appropriate. The chair of each committee reports to the full Board, at the next Board meeting following committee action, with respect to those matters considered and acted upon by the committee. Only independent directors are appointed to serve on the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. Only independent directors may serve as the chair of any other committee.

2. Selection of Agenda Items for Committee Meetings

The chair of each committee, in consultation with the appropriate members of management, develops the committee's agenda. Each director who is a member of a committee may suggest the inclusion of additional items on the agenda. Each director may raise at any regular committee meeting subjects for discussion that are not on the meeting's formal agenda.

3. Frequency of Committee Meetings

Each committee chair, in consultation with committee members, determines the frequency of the meetings of the committee. Each committee prepares minutes of its meetings. Management assigns an officer to provide and coordinate staff support for each committee. Each committee chair may invite members of management, as appropriate, to attend sessions of committee meetings.

4. Assignment and Rotation of Committee Members

The Nominating and Governance Committee is responsible for recommending to the Board the assignment of directors to various committees after consultation with the Chairman of the Board and after giving due consideration to the desires of individual directors. The Nominating and Governance Committee is also responsible for recommending to the Board the selection of committee chairs. The Board has no set policy for the regular rotation of committee members or committee chairs.