



Code of Conduct

2012 NXP Semiconductors



Benchmark behavior

NXP's new Code of Conduct reflects our corporate values, aiming as it does to ensure Best in Class behavior as individuals, and as a leader in our industry. It covers ethics and personal relationships, going beyond purely business issues. The intention of the Code is to guide us, not only in achieving compliance with legal requirements and fundamental global standards, but also in raising the bar in our behavior. The Code is an expression of who we are: ethical individuals demonstrating benchmark behavior in our everyday interactions; a company that operates as a socially responsible corporate citizen of the world.



"The Code of Conduct touches on cultural norms and values, and is a common-sense approach to global standards and regulations. I urge you to integrate it into your personal working style, and make it a key approach to your daily activities. This is part of our growth. It's another step towards being a truly great company."

Rick Clemmer, President & CEO

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1 Introduction

1.1 General

The NXP Code of Conduct (the “Code”) sets out the values that guide us as we work to fulfill our ambitions in the company. It applies equally to all our activities on behalf of NXP worldwide.

The Code is an expression of who we are and how we want to be perceived by our stakeholders. We put the Code into daily practice. We are all expected to act in accordance with the content and spirit of the Code, and to comply with all company policies and all applicable local and international laws and regulations. Whenever we encounter an ethical or legal dilemma, we resolve it in line with the Code.

NXP aims to be a responsible business partner, and to behave responsibly towards our customers and other business partners, our employees and in the communities where we operate. It is the responsibility of the Board of Directors and the Management Team to ensure that the Code is properly communicated to and observed by everyone at NXP. The application of the Code is of prime importance in making decisions about whether or not to enter into or continue relationships with business partners, such as contractors, suppliers and distributors, or to participate in joint ventures.

The Code is not an all-encompassing document, but formulates the minimum requirements for our behavior on behalf of NXP. Additional local rules of business conduct or ethical behavior may be made by BU, Operations, Corporate, and Country Management wherever necessary, as long as such rules are consistent with our values, our reputation, and the contents of the Code.

We are all expected to uphold the integrity of the Code. We are responsible for alerting management of any activity we think may be in violation of the Code, our company policies or laws and regulations. We can do this by informing our manager, any Code of Conduct Compliance Officer, any MT or Board of Directors member, or by using the Ethics Hotline.

If we fail to comply with or willfully breach the Code, NXP retains the right to take disciplinary action, up to and including termination of employment.

NXP will not retaliate against – or tolerate any one else’s retaliation against – someone who makes a good-faith report regarding an actual or suspected violation of the Code, company policies or laws, even if, eventually, a reported suspected violation turns out not to be a violation of the Code.

1.2 Mission and values

Our mission is to design, manufacture, and sell High Performance Mixed Signal semiconductor solutions to meet the challenging requirements of systems and sub-systems in our target markets. In order to succeed in our mission, we are 'Customer Focused with a Passion to Win'. We are committed to innovate for a better tomorrow for the benefit of our customers, our employees, our communities, and society as a whole.

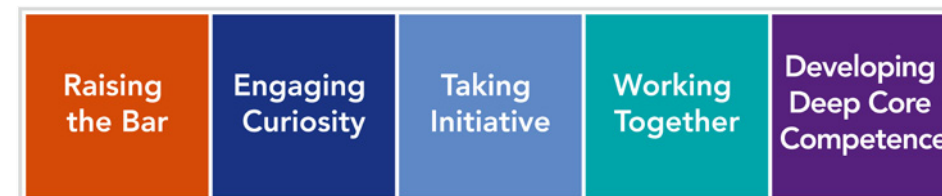
We demonstrate a Customer Focused Passion to Win by

- Raising the Bar
- Engaging Curiosity
- Taking Initiative
- Working Together
- Developing Deep Core Competence

These values are a fundamental part of our culture and guide everything we do. They influence how we are structured as a company, the way our teams around the world work together to drive success and the way we behave towards each other, our suppliers and our customers.

Our values are the cornerstone of our company and support our strategy to be a leader in High Performance Mixed Signal. They define the criteria against which we judge our performance, our attitude toward our work, and how we view our colleagues and peers across the organization. They encourage daily improvement, and challenge us to expand our limits by exploring new territories.

The Code of Conduct helps us live our values. It clarifies our principles and sets standards for professional conduct. It is a central guide and a reference for day-to-day decision-making. It is also a tool to encourage discussion, to help employees deal with ethical dilemmas or uncertainties they encounter in their work.



2 Assistance and reporting

2.1 Guidance

In understanding and applying the Code, we should do so against the back-drop of common sense and generally accepted rules of behavior and ethics. To that effect, the questions in the decision tree can assist us in doing right.

2.2 Decision tree

We should use good judgment at all times. If an action feels wrong, we should not do it. If we are not certain that an action meets NXP's ethical standards, we are encouraged to ask ourselves a few simple questions:

1. Is the action illegal?
2. Could it adversely affect NXP?
3. Does the action violate the Code or our values?
4. If we do it, will we feel wrong?
5. Would we be hesitant telling this to our boss (or to our colleagues, spouse, or partner)?

If the answer to any of the questions is yes, then we should not do it.

2.3 Ethical guidance

We are all expected to comply with the Code, and all managers are expected to ensure its compliance. If we don't know what is expected from us in a certain situation, we need to consider the following actions to make the right decision.

Refer to compliance policies

NXP has specific compliance policies that support the general principles stated in the Code. We can refer to these policies for more detailed reasons and guidelines for following the Code.

Take direct action

It is often best to fix something on the spot. If we are considering an action that may raise ethical concerns, or see someone doing something questionable, then we should raise concerns right away. Just raising the issue for discussion can be enough to bring the actions into compliance with the Code.

Consult our manager

Our direct managers are familiar with our specific assignments and understand local circumstances better than anyone else. They can help us discuss problems so we can identify actions that comply with the Code.

Contact the Compliance Officer

If, for any reason, we cannot or don't want to discuss an issue with our manager, we can contact the Code of Conduct Compliance Officer. He or she can assist in resolving any issue or answer any questions we might have. The Code of Conduct Compliance Officer has an independent role. He or she can also connect us with relevant departments, such as human resources, legal, or internal audit.

2.4 How to report

(1) manager, (2) Compliance Officer, (3) Ethics Hotline

We are welcome to raise any questions or concerns. If we know of or suspect a violation of the Code or the spirit it purports, we should immediately report the matter to our manager or any Code of Conduct Compliance Officer. A reporting hotline is also available to us, with guaranteed anonymity if so desired.



3 Business integrity

It is NXP's policy to comply with all applicable laws and regulations that relate to our business. When conducting business, we may encounter a variety of legal issues or may question the legality of an action. When this happens, we should check our actions with our manager and/or the respective (regional) legal department. Compliance with the law is a personal responsibility.

3.1 Bribery and improper conduct

NXP strictly prohibits unethical business practices such as bribes, kickbacks, or any other form of improper payment that aims to obtain or retain business or influence a business decision. This rule applies to all our operations, regardless of the country in which we conduct business. We shall not directly, or through a third party, make an offer, promise, or authorize any payment of gift or render services without invoice:

- To gain any business advantage,
- To influence the policy of any government, or
- That could bear the appearance of impropriety

Making an offer alone, without actual payment, still violates NXP's policy and the law.

Facilitating payments are small payments made in money or

in kind to officials, in accordance with publicly known or widely followed local customs, to expedite or secure the performance of routine, official actions such as issuing licenses, permits, or visas. Making these facilitating payments on behalf of NXP is strictly prohibited under NXP policy.

Anti-bribery laws, such as the US Foreign Corrupt Practices Act (FCPA) and the UK's Anti-Bribery Act, as well as similar laws in other countries, prohibit us from making an offer or giving a bribe, a kickback, or any other improper payment to government officials to obtain or retain business or influence a business decision. The laws may apply, regardless the territory we operate in.

The term "government officials" can refer to

- Public officials
- Officials or candidates of political parties
- Politicians or political candidates
- Employees of public international organizations (such as the UN or the EU)
- Employees of organizations owned or controlled by the government, such as public utilities or universities.

These laws apply to companies and individuals, including employees. Violation of anti-bribery laws can result in severe financial penalties or even imprisonment.

3.2 Competition and antitrust

NXP supports the principles of free enterprise and fair competition.

NXP competes in the market, but in a lawful and ethical way.

We must abide by applicable antitrust laws wherever we conduct business. Failure to comply with these laws may have serious consequences for those involved and for our company.

To assist us, NXP has strict policies that ensure our operations around the world are in full compliance with all applicable competition laws. We are also encouraged to seek timely advice from the respective (regional) legal department if we have any questions or concerns relating to competition laws or if we have any doubt whether or not competition laws apply.

In compliance with competition laws, we shall never agree with a competitor to limit competition in any way. Any and all arrangements shall be at arm's length.

3.3 Accurate reporting

To ensure that our shareholders and other stakeholders receive a uniform level of information, and, additionally, to protect sensitive information, only a limited number of employees are authorized to make public statements on behalf of NXP. Additionally, all information published by NXP, including its business units and/or national organizations, must first be approved by appropriate management, including members of the NXP Disclosure Committee.

Our industry and business are always under scrutiny by the public, the press, and the analyst community. If we are contacted by an outside party, we shall not release information to them regarding NXP's financial, social, or environmental performance, or any other information, without prior consultation with Corporate Communications or Investor Relations.

We are responsible for ensuring that NXP's financial statements are full, fair, accurate, timely, and understandable. In order to do so, we must comply with legal and regulatory requirements and we must also be familiar with NXP's internal controls and policies. We shall never make a false or misleading claim or statement in any of NXP's financial reports, monitoring reports, or other documents submitted to government agencies and investors, or in any publication, including advertisements.

3.4 Data protection, personal data, third parties

NXP recognizes the importance of protecting the personal data of everyone we do business with, including employees, suppliers, and customers. We believe that responsible stewardship of personal data is a critical part of maintaining trust in the NXP brand, and of ensuring that individuals feel confident that NXP respects their right to privacy.

4 Personal integrity

4.1 Gifts and entertainment

Depending on the context of the work that we do for NXP, exchanging gifts and entertainment helps us maintain a strong relationship with our customers, our suppliers, and our other business partners. However, we should keep these exchanges strictly professional by following these principles:

Value: no personal gifts or favors of any material commercial value can be given to, or accepted from, any third party.

A gift or favor of material value means that it carries such a value that it may influence our business conduct or lead to a potential conflict of interest or dependency. Any gift, regardless its value and whether offered or received, must be reported to one's manager and/or Compliance Officer.

Customary: we should not provide or receive any gift or favor that is not a customary business gift common to the location and industry or that would embarrass NXP. Cash or cash equivalents, such as gift cards or gift certificates, are viewed as kickbacks or bribes and are never allowed.

Legal: the gift or favor should be legal in the location and under the circumstances in which it was presented, and shall not constitute a violation of any applicable bribery legislation.

Solicited: we shall not offer gifts or favors that are not permitted by the recipient's policies. We will never provide gifts or favors that are solicited for, because these may be seen as bribes or kickbacks.

We should make it clear to our business partners that gifts or personal favors may influence the business relationship negatively and that our business decisions are based solely on the interest of NXP and not on personal considerations of past or future gain.

Government: public officials are subject to very strict policies regarding the acceptance of gifts or favors, regardless of their value. We should always respect these policies and act accordingly. Therefore, before offering a gift or favor, regardless its value, we must always discuss this with appropriate management or a Compliance Officer. In particular, we should never offer anything of value to a government official for the purpose of obtaining or keeping business, or securing any advantage. Doing so means that we are violating applicable corruption legislation.

4.2 Conflicts of interests

We shall avoid any activities that are in conflict with or opposed to the interests of NXP, or that give the appearance of being in conflict with or opposition to NXP's interests. A conflict of interest exists when one of us uses his or her position or function within NXP for personal considerations or relationships that conflict with NXP's interests. Should we be unsure about a personal conflict, the best way to deal with this issue is to be transparent and inform appropriate management and/or a Compliance Officer as soon as possible.

4.2.1 Personal relationships

Conflicting loyalties may arise when our personal interests are inconsistent, or appear to be inconsistent, with those of NXP. Therefore, we shall not conduct any NXP business with family members or others with whom we have a significant personal relationship. Also, we shall not use our position within NXP to approve payment, promotion, compensation, or other favored treatment for family members or others with whom we have a personal relationship.

4.2.2 Outside employment or business activities

We must notify our manager and receive prior approval before taking any other employment outside of NXP, including positions at a customer, distributor, supplier, or other NXP business partner. Any outside activity must be separated from our employment at NXP and should not interfere with our performance at NXP. In case of outside employment, we shall not use time while at work, any NXP assets, or our position at NXP to perform another job or benefit another employer.

4.2.3 Investments

We shall not allow our personal financial investments to influence, or appear to influence, our judgment on behalf of NXP. Personal investment in publicly traded shares or privately held business may result in a conflict of interest (or the appearance of one) if we have a direct investment in a NXP business partner such as an NXP supplier, customer, distributor or competitor. If we have any doubts about how an investment might be perceived, we must disclose it to our manager and/or the Compliance Officer.



4.2.4 Personal business opportunities

We all have the obligation to advance NXP's legitimate business interests. Therefore, we shall not pursue any business opportunities for personal gain that we discover through the use of assets or information that belongs to NXP, especially if this competes with NXP, either directly or indirectly.

4.3 Insider trading

We may, due to the nature of our work at NXP, become aware of information about NXP or other companies that has not been made public. Such information may be share-price sensitive if it concerns information about any listed company, including NXP. The use of such non-public, inside information about NXP or another company is unethical and may also be unlawful. We shall never trade the shares or other securities of NXP or another company while possessing 'material' non-public information, the publication of which should reasonably be expected to affect the trading price of the shares or other securities of NXP or another company. This is considered insider trading and is illegal. Neither should we disclose such confidential information to our colleagues or third parties other than in the normal course of employment, profession, or duties, and only under the strict condition that the recipient of such information has an obligation of confidentiality. Violating these principles may result in criminal prosecution.



5 Company assets

5.1 Care and proper use

We have to protect any NXP assets entrusted to us and keep them safe from loss, damage, misuse, or theft. We may only use NXP's physical assets, such as funds, products, or computers, for conducting NXP's business. Any other uses have to be authorized by appropriate management. NXP assets shall never be used for purposes that violate the law or company policies. At the end of our employment at NXP, we shall immediately return all NXP property entrusted to us. Conversely, we have to protect third-party assets entrusted to us as well, assuming those have been obtained for a legitimate business purpose. We must respect the rights of others and we expect our employees to be responsible citizens.

5.2 Intellectual property

We have to protect all kinds of NXP intellectual property, acquired or developed, such as patents, trademarks, copyrighted works, and confidential technical or business information (trade secrets). We shall only disclose confidential information to other NXP employees or external parties on a need-to-know basis. We may only disclose confidential information to third parties after management approval and the conclusion of a non-disclosure agreement.

We all have a responsibility to protect such assets and shall therefore take measures to avoid unauthorized disclosure of such information. Even after employment with NXP has ended, we have to continue to protect confidential information and not use or disclose it without authorization.

5.3 Retention of records

Accurate records are crucial and form the basis for meeting NXP's legal, financial, and managerial obligations. To make sure that our financial statements properly reflect our assets and transactions, we are responsible for recording all financial transactions, such as payments, in the appropriate ledgers, all in accordance with NXP's accounting principles and all applicable local laws.

We shall never make a false or artificial entry in our records, nor shall we keep secret accounts or accounts outside NXP. Anyone found having engaged in such activities will be subject to disciplinary action, as well as civil and criminal liability.

5.4 Protecting confidential information

We must safeguard any confidential information we are entrusted with and shall therefore treat it appropriately at all times. Confidential information is any information that is not generally known to the public or the industry. Even within NXP, we shall only share confidential information on a need-to-know basis.

Unauthorized disclosure of confidential information may harm NXP and may subject the individuals involved to criminal and civil liability. We must also preserve confidential information even after our employment at NXP ends.

6 Employment at NXP

NXP is responsible for providing a work environment in which ethics, integrity, and trustworthiness are accepted and shared, not just among ourselves but with all our stakeholders, including the communities in which we operate and work. We support the aim of the International Labor Organization (ILO) to arrive at universally accepted labor standards and have therefore adopted internal procedures and guidelines with respect to the topics discussed below.

Purchasing and Operations management are responsible for ensuring that our standards are known to key suppliers, contractors, and distributors.

6.1 Discrimination

We will not tolerate any kind of harassment or discrimination based on, among other things, race, color, gender, religion, age, pregnancy, sexual orientation, or political affiliation. NXP is committed to providing an attractive working environment for employees and we will recruit, hire, and promote employees solely on the basis of suitability for the job. We will recruit, select, and promote on the basis of objective and non-discriminatory criteria. Results from medical tests may not be used in a discriminatory way.

6.2 Child labor

Child labor refers to a type and intensity of work that hampers a child's access to education, may damage the child's physical and or psychological health, and may impair their development within their families. It deprives children of their childhood and self-respect. NXP will under no circumstance use child labor.

We will always adhere to the legal minimum age requirements in all countries in which we operate and we will never employ children under the age of 16. If children between the ages of 16 and 18 are employed, we will ensure that this work does not affect or preclude their educational opportunities or obligations, nor jeopardize their health and safety.

6.3 Forced labor

We shall under no circumstance make use of forced labor. We will only employ, directly or through others, such as labor agents, people who are working of their own free will. Lodging of deposits is never required and no one shall be deprived of his or her identity papers upon starting work for NXP. Depending on local law requirements, we are free to terminate our employment with NXP upon reasonable notice.

6.4 Right of organization

NXP recognizes the freedom of employees to establish or join an organization of their choice and will respect this right.

We will not make employment subject to the condition that a person must not join a union or must terminate membership in a trade union.



NXP respects the right to be represented by trade unions and other employee organizations. NXP will, whenever applicable, engage in the negotiation process either on its own behalf or through employers' associations. Local rights and co-determination will be fully respected with a view to reaching agreement on the terms and conditions presented by employees.

6.5 Remuneration

Our remuneration shall be consistent with the provisions of all applicable wage laws, including those relating to minimum wage, overtime hours, and legally mandated benefits.

Any disciplinary wage deductions must be in accordance with local law. We shall be informed about the composition of our pay and benefits, in a detailed and clear manner, prior to employment. Employees shall be able to communicate openly with management regarding working conditions without having to fear reprisal, intimidation, or harassment.

6.6 Working hours

Our work weeks shall not exceed the maximum set by local law and shall, in any event, not be more than 60 hours, including overtime, except during emergencies or exceptional circumstances to meet short-term business demand. We will be entitled to have at least one day off per seven-day period. Overtime work is voluntary, unless agreed upon by a collective labor agreement or union contract or, during emergencies or exceptional circumstances, to meet short-term business demand.

6.7 Health and safety

NXP shall provide safe and healthy working conditions in order to keep us from harm. NXP shall also promote our health. For these reasons, health and safety programs, rules, and regulations apply at all sites. It is our responsibility to comply with these health and safety rules and regulations.

NXP will provide ready access to clean toilet facilities, potable water, and sanitary food preparation and storage facilities. Worker dormitories provided by NXP or a related third party are to be clean and safe and shall be provided with emergency exits, adequate heating and ventilation, and reasonable personal space.

6.8 Disciplinary measures

Violation of the Code of Conduct may lead to disciplinary action, including dismissal, notwithstanding any further civil or criminal action that may be taken. Any disciplinary measure has to be in accordance with applicable laws.



7 External activity

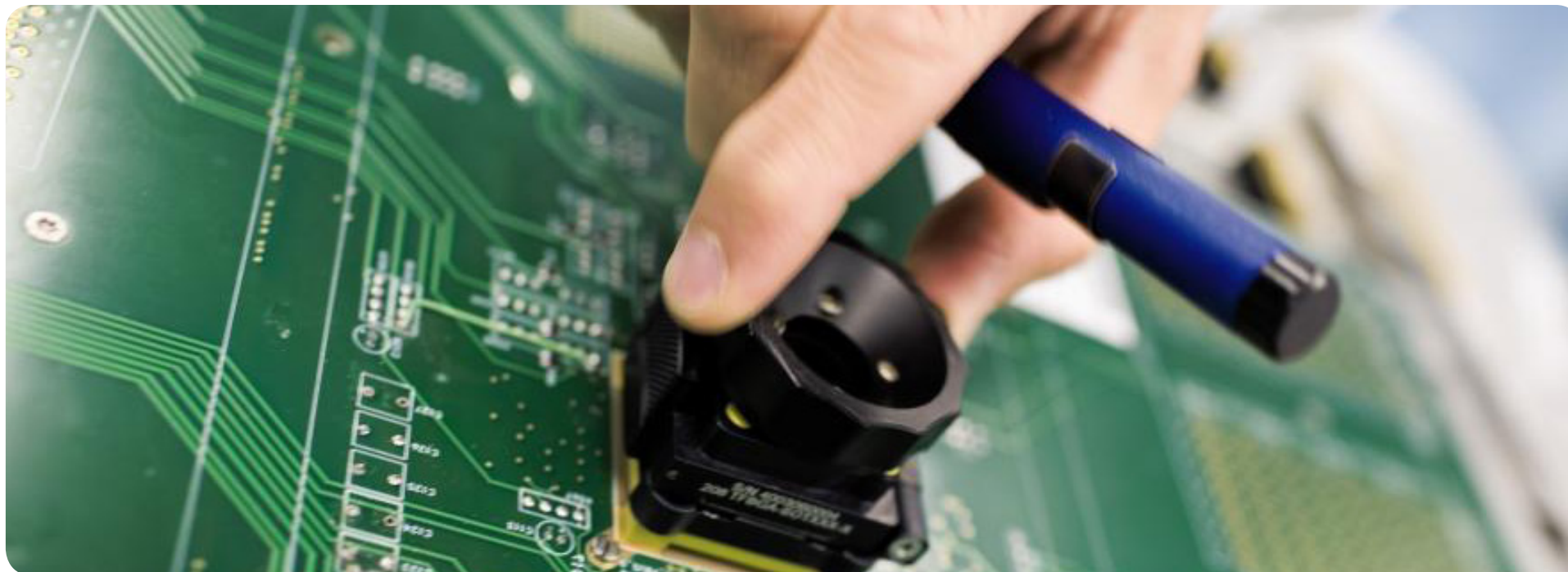
7.1 Lobbying and political activity

As part of our business, we engage with governments, governmental organizations, industry associations, and other interest groups.

In doing so, we must comply with the laws governing political activity. We shall never make payments to political candidates or support political activities on behalf of NXP. As a general rule, we do not pay advisory fees, make payments, or donate money or in kind to political parties, organizations, or politicians. In case of an envisaged diversion from this principle, appropriate management is to explicitly approve this action, in which case all requirements regarding public disclosure shall be complied with in full.

7.2 Environment

As a company, we protect the environment by preventing or minimizing the environmental impact of our activities and products by following appropriate design, manufacturing, distribution, and disposal practices. Several environmental laws, standards, requirements, and policies apply to our worldwide business operations. We have a responsibility to understand and follow these requirements.



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Date of release: June 2012