

Freescale Semiconductor, Inc.
Audit and Legal Committee Charter

Purposes

The Audit and Legal Committee is appointed by the Board of Directors (the “Board”) for the primary purposes of:

1. Assisting the Board in fulfilling its oversight responsibilities as they relate to:
 - the integrity of the Company’s financial statements and the Company's accounting policies, internal controls and financial reporting practices;
 - the Company’s compliance with legal and regulatory requirements;
 - monitoring the qualifications, independence and performance of the Company’s independent registered public accounting firm, or independent auditors; and
 - monitoring the performance of the Company’s internal audit function.
2. Preparing the report of the Committee required by the proxy rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for each annual meeting.
3. Maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company's financial management, internal auditors and independent auditors.
4. Overseeing compliance with the Company’s policies for conducting business, including ethical business standards as specified in the Company’s Code of Business Conduct.

Composition and Qualifications

The Committee shall be appointed by the Board on the recommendation of the Governance and Nominating Committee and shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The Committee shall be comprised of three or more directors (as determined from time to time by the Board), each of whom shall meet the independence and experience requirements of the SEC and the New York Stock Exchange (“NYSE”) for audit committee membership.

1. Each member of the Committee will be a Director who: (i) is not otherwise employed by the Company, and (ii) has not been so employed at any time during the three years prior to the time he or she is appointed to the Committee.
2. Each member of the Committee will have and maintain independence from management of the Company in accordance with the standards of independence required by the SEC and the NYSE.

3. No member of the Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than: (i) director's fees, which may be received in cash, stock options or other in-kind consideration ordinarily available to Directors; (ii) a pension or other deferred compensation for prior service that is not contingent on future service; and (iii) any other regular benefits that Directors receive in their capacity as members of the Board or its committees. In addition, no member of the Committee may be an "affiliated person" of the Company, as defined by the SEC.
4. Each member of the Committee shall be financially literate (as such qualification is interpreted by the Board in its business judgment).
5. At least one member of the Committee shall have accounting or related financial management expertise (as such qualification is interpreted by the Board in its business judgment).
6. At least one member of the Committee shall be an "audit committee financial expert," as defined by the SEC.
7. No member of the Committee shall serve on the audit committee of more than three public companies unless the Board shall have made a prior determination that such simultaneous service will not impair the ability of the member to effectively serve on the Committee and discloses this determination in the Company's proxy statement.

Organization, Procedures and Powers

1. The Board of Directors shall appoint one member of the Committee as the Chair. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee. The Chair shall be responsible for leadership of the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board. No Director shall serve as Chair of the Committee for more than five consecutive years.
2. The Committee shall have the authority to establish its own rules and procedures, consistent with the bylaws of the Company, for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so.
3. The Committee may, in its discretion, request that management, the independent auditors, the internal auditors or counsel undertake special projects or investigations which it deems necessary to fulfill its responsibilities.
4. The Committee shall have the authority to engage independent counsel, independent accountants or other outside advisers as the Committee deems necessary to carry out its duties.
5. The Committee shall receive appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of any: (i) compensation to outside accounting, legal or other advisors employed by the Committee; or (ii) ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its duties.
6. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Meetings

1. The Committee will meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities.
2. The Committee may include in its meetings: (i) members of the Company's management; (ii) representatives of the independent auditors; (iii) members of the internal audit team; or (iv) any other personnel employed or retained by the Company or the Committee.
3. The Committee will periodically meet with members of the Company's management in separate executive sessions to discuss any matters that the Committee believes should be addressed privately, without the presence of other Company management.

Duties and Responsibilities

Financial Statements and Published Information

1. The Committee will meet with the independent auditors and senior management prior to the annual audit to discuss planning and staffing of the audit.
2. The Committee will review the company's annual audited financial statements and quarterly unaudited financial statements, including the company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", that are included in the Company's SEC filings and discuss them with senior management and the independent auditors. In connection with such review, the Committee will:
 - Discuss with the independent auditors: (i) in the case of the annual audited financial statements, the matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 relating to the conduct of the audit; and (ii) in the case of unaudited quarterly financial statements, important matters relating to the SAS No. 71 letter.
 - Review with senior management and the independent auditors significant financial reporting judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
 - Review with senior management and the independent auditors any major issues regarding accounting principles or policies and financial statements presentations, including any significant changes in the Company's selection or application of accounting principles or policies.
 - Review with the independent auditors: (i) any problems or difficulties encountered in the course of their audit, including any change in the scope of the planned audit work; (ii) any restrictions placed on the scope of such work; (iii) any restrictions on access to requested information, including a review of Company management's reactions to such problems or difficulties; or (iv) issues on which they were consulted by the Company's audit team and matters of audit quality and consistency.

- Review with the independent auditors any management letters provided by the independent auditors, and management's response to such letters.
 - Review with senior management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
3. Based on its review of the annual audited financial statements, the Committee will make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.
 4. The Committee (or, at the discretion of the Committee, the Chair acting on behalf of the Committee) shall discuss with senior management and the independent auditors the quarterly earnings announcement and earnings guidance provided to analysts and rating agencies.
 5. The Committee will periodically review the type and presentation of information to be provided in: (i) quarterly earnings releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information); and (ii) financial information and earnings guidance provided to analysts and rating agencies.

Appointment, Retention and Evaluation of Independent auditors

6. The Company's independent auditors shall report directly to the Committee. The Committee has the ultimate authority and direct responsibility to appoint, compensate, retain, oversee, evaluate and, where appropriate, replace the independent auditors. In connection with its oversight of the external audit activities, the Committee will:
 - Appoint the independent auditors to be retained by the Company each year.
 - At least annually, obtain and review a report by the independent auditors describing:
 - (a) the external audit firm's internal quality-control procedures; and
 - (b) any material issues raised by: (i) the most recent internal quality-control review, or peer review, of the firm, or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any issues raised in the reviews described above.
 - Annually review and evaluate the experience and qualifications of the senior members of the independent auditor team and the performance and independence of the independent auditors, including the lead partner of the external audit firm.
 - Approve the fees to be paid to the independent auditors for audit services.
 - Periodically meet separately with the independent auditors without senior management present.
 - Be directly responsible for resolution of disagreements between management and the independent auditors regarding financial reporting.

- At least annually, present the Committee’s conclusions with respect to its evaluation of the independent auditors to the Board.

Independence of Independent auditors

7. The Committee shall obtain confirmation and assurance as to the independent auditors’ independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent auditors and the Company.
8. The Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take appropriate action in response to the independent auditors' report to satisfy itself of their independence.
9. The Committee will adopt and thereafter periodically review and, if necessary, update its policy with regard to the pre-approval of the retention of the independent auditors for any permitted non-audit services, including a requirement that the Committee approve all non-audit engagements of the independent auditors and shall, consistent with that policy, approve the retention of the independent auditors to perform such services and the fees for such services, if required by that policy. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting.
10. Periodically review and, if necessary, update its guidelines for the Company’s hiring of employees and former employees of the independent auditors.
11. Discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner within the time limits and in such a manner as is necessary to prevent the independent auditor from being deemed “not independent of the Company” pursuant to governing rules and regulations.

Oversee Internal Audit Activities

12. In connection with its oversight responsibilities, the Committee will:
 - Review and approve the appointment or replacement and performance of the senior internal auditing director and any change or proposed change in compensation, bonus or other perquisites of the internal audit director.
 - Review, in consultation with senior management, the independent auditors and the senior internal auditing director, the plan and scope of internal audit activities.
 - Review internal audit activities, budget, staffing, qualifications, and discuss such matters with the senior internal auditing director and the independent auditors.
 - Review significant reports to management prepared by the internal auditing department and management's responses to such reports.

- Review with senior management and the independent auditor any correspondence with regulatory or governmental agencies that raise material issues regarding the Company's financial statements or accounting policies.
 - Periodically meet separately with members of the internal audit staff, including the senior internal auditing director, without other senior management present.
13. The Committee will review with the independent auditors, the senior internal auditing executive and senior management:
- The adequacy and effectiveness of the Company's internal accounting and financial controls, including computerized information system controls and security, and consider any recommendations for improvement of such controls,
 - Major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, including disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls; and
 - Any related significant findings and recommendations of the independent auditors and internal auditors together with senior management's responses thereto.
14. The Committee will meet periodically with senior management to discuss the Company's policies with respect to risk assessment and risk management. In doing so, the Committee will review the Company's major financial risk exposure and the steps management has taken to monitor and control such exposure.
15. The Committee will periodically review and, if necessary, update its procedures for:
- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
 - the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.

Legal Matters

16. The Committee will periodically review legal matters concerning the Company. In connection with such review, the Committee will:
- Review periodically with senior management and/or the Company's General Counsel any legal matters (including the status of pending litigation) that could have a material impact on the Company's financial statements.
 - Review the Company's compliance with applicable laws and regulations and any material reports or inquiries from regulatory or government agencies.

- Receive periodic input from the Law Department.
- Review the Company's policy, practice, staffing and posture regarding legal matters.
- Review the Company's relationship with external attorneys.
- Periodically meet separately with the General Counsel without other senior management present.
- Consider any reports concerning material violations submitted to it by Company attorneys or outside counsel pursuant to the SEC attorney professional responsibility rules or otherwise and determine what action or response is appropriate or necessary.

Business Ethics and Compliance

17. The Committee will review the Company's business ethics and compliance policies and programs. In connection with such review, the Committee will:

- Receive periodic reports from the senior ethics and compliance officer regarding ethics and compliance.
- Discuss with the senior ethics and compliance officer matters that he or she believes should be presented to the Committee directly and not through management.
- Periodically meet separately with the senior ethics and compliance officer without other senior management present.
- Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct.
- Review reports and disclosures of insider and affiliated party transactions.
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct.

Health, Safety and Environment Audit

18. The Committee will receive reports from the Health, Safety and Environment audit function.

General

The Committee will:

19. Review and reassess at least annually the adequacy of this Audit and Legal Committee Charter and recommend any proposed changes to the Board of Directors.

20. Prepare the report of the Committee required by the proxy rules of the SEC to be included in the Company's proxy statement for each annual meeting.
21. Report regularly to the full Board any issues that arise with respect to:
 - (a) the quality or integrity of the Company's financial statements,
 - (b) the Company's compliance with legal or regulatory requirements,
 - (c) the performance and independence of the Company's independent auditors,
 - (d) the performance of the internal audit function, or
 - (e) any other matters that arise in the Committee's performance of its duties and that the Committee deems important to present to the full Board.
22. Participate in the Board's annual performance evaluation, which includes an evaluation of the performance of the Committee as a whole.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of the Company's management and the independent auditors. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Company's corporate policies.

Nothing contained in this Charter is intended to alter or impair the operation of the "business judgment rule" as interpreted by the courts under the Delaware General Corporation Law. Further, nothing contained in this Charter is intended to alter or impair the right of the members of the Committee to rely, in discharging their oversight role, on the records of the Company and on other information presented to the Committee, the Board or the Company by its officers or employees or by outside experts such as the independent auditors.