

SILICON STORAGE TECHNOLOGY, INC.

CODE OF CONDUCT

INTRODUCTION

It is SST's policy to conduct all of its activities in accordance with the highest principles of ethics. Although our organization requires employees, consultants and directors to serve in numerous capacities, we believe we should follow certain business practices and principles of behavior throughout our operations. This Code is intended to serve as a guide to help us maintain the highest ethical and professional standards in each of our relationships.

The Code is not exhaustive. The Code addresses certain behaviors that are particularly important, but these are only part of our overall commitment to the proper treatment of, and dealings with, our co-workers, customers, contractors, vendors, competitors, federal, state, local and foreign governments, stockholders and members of the community. Since the Code depends on the honesty, fairness and integrity brought to the job by every person in the organization, each of us has a critical role to play.

This Code applies to all employees and directors of, and consultants to, SST and its subsidiaries.

1. LEGAL COMPLIANCE

Obeying the law is the foundation of this Code. Our success depends upon each employee's operating within legal guidelines and cooperating with local, national and international authorities. We expect employees to understand the legal and regulatory requirements applicable to their business unit and area of responsibility.

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject you, as well as SST, to civil and/or criminal penalties. Conduct and records, including emails, are subject to internal and external audits, and to discovery by third parties in the event of a government investigation or civil litigation.

2. RESPECT FOR PEOPLE AND NON-DISCRIMINATION

You are critical to the success of SST, and our policy is to treat you with fairness and respect.

SST is an equal opportunity employer. We do not tolerate discrimination against applicants or employees based on race, religion, gender, age, marital status, national origin, sexual orientation, citizenship status, or disability. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions, or any other condition of employment or career development.

We are committed to providing a work environment that is free from discrimination and/or harassment of any type. We will not tolerate the use of discriminatory slurs; unwelcome and unsolicited sexual advances or harassment; or any other derogatory remarks, jokes or conduct

that create or foster an offensive or hostile work environment. Each person, at every level of the organization, must act with respect and civility toward customers, coworkers and vendors.

3. PUBLIC DISCLOSURE OF INFORMATION

The federal securities laws require SST to disclose certain information in various reports that the Company must file with or submit to the SEC. In addition, from time to time, SST makes other public communications, such as issuing press releases.

SST expects all directors, officers and employees who are involved in the preparation of SEC reports or other public documents to ensure that the information disclosed in those documents is full, fair, accurate, timely and understandable.

4. QUESTIONABLE PAYMENTS

No person may participate in bribes, unlawful or unethical payment of commissions or other funds to any third party; or maintain any unrecorded cash or non-cash funds or assets for any unlawful and unethical purpose

5. HONESTY WITH REGULATORS AND OTHER GOVERNMENT OFFICIALS

Owing to our global presence, SST is subject to government regulations in different countries, extreme care must be taken to ensure that no inaccurate or misleading reports, certifications, claims or statements are made to any government agency or official.

Any attempt, or activity that could be perceived as an attempt to improperly influence government officials and employees to obtain or reward favorable treatment must be avoided.

6. CONFLICTS OF INTEREST

In order to maintain the highest degree of integrity and be able to exercise your best judgment at all times, you should avoid any activity that may cause conflict between personal interest and SST's interest. A conflict of interest is defined as any situation in which a person has two or more duties or interests that are mutually incompatible and may tend to conflict with the proper and impartial discharge of that person's duties, responsibilities or obligations to SST. If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, you should discuss the matter with your supervisor or next level of management.

The following are examples of situations that may, depending on the facts and circumstances, involve conflicts of interests:

- Employment of a SST employee with (including consulting for or service on the board of) a competitor, customer or supplier or other service provider. Activity that enhances or supports the position of a competitor is prohibited.

- Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with SST. As a general rule of thumb, a significant interest would be greater than 5% of securities or other beneficial interest in a company or other business.
- Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us.
- Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with us.
- Taking personal advantage of corporate opportunities.
- Conducting SST business transactions with your family member, significant other or person who shares your household or a business in which you have a significant financial interest.

In general, any transaction constituting a conflict of interest must be approved by your supervisor or higher lever of management.

7. GIFTS AND ENTERTAINMENT

Giving or receiving gifts to an existing or potential customer, supplier or competitor may be construed as attempts to influence the performance of duties or to favor certain individuals or companies. Neither you nor any member of your immediate family may request, accept or give any gifts in connection with our business other than small, limited gifts and consumables up to a \$150 value (based on fair market value) without the approval of a senior vice president or other executive officer. This includes gifts, travel or other benefits of value received directly or indirectly from any existing or potential customer, supplier or competitor. Neither you nor any member of your immediate family may request, accept or give any amount of cash as a gift. You may offer or accept gifts of a nominal or token value motivated by commonly accepted business courtesies. However, any gift that could create an obligation to the donor or recipient; or influence the business relationship with the donor or recipient should not be accepted or offered.

Under some statutes, giving anything of value to a local, state, federal or foreign government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. Discuss with your supervisor or the next level of management any proposed entertainment or gifts if you are uncertain about their appropriateness.

Appropriate business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. For example, it is an acceptable practice for you to provide or accept an occasional meal or outings with vendors or customers, if there is a valid business purpose involved and the expense is not extravagant.

8. COMPETITION

SST's activities are governed by federal and state antitrust and trade regulation statutes. There are many types of activities that may, in some cases, be violations of federal and state antitrust laws. For example, various activities, the effect or intent of which is to fix prices, allocate markets, or otherwise reduce competition, may violate the antitrust laws. Such activities may include certain types of discussions, meetings or arrangements with the SST's competitors, agreements, (whether formal or informal, written or oral), or any joint activity involving SST and any other party.

Competitive information must be gathered with care. We must conduct all interactions with competitors, including social activities, as if they were completely in the public view, because they may later be subject to examination and unfavorable interpretation. If you have any questions about whether it is appropriate to obtain particular information, contact your supervisor or next level of management.

9. CONFIDENTIAL INFORMATION

Much of the information we use is confidential, privileged and proprietary or of competitive value to SST. This confidential information may have been developed by us or may belong to others, and we are required to keep it confidential. In both instances, you must be careful to guard against disclosure of the information to any individuals outside SST. In addition, in the course of serving our customers, you may learn confidential or proprietary information about them. It is equally important that you guard against the disclosure of our customers' confidential information.

You must exercise the utmost care when dealing with confidential information. All SST emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated to individuals outside of SST, except where required for SST-related business reasons.

Your obligation to treat certain information as confidential does not end when you leave SST. You may not disclose any confidential information to a new employer or to others after ceasing to be a SST employee, director or consultant.

10. INSIDER TRADING AND USE OF COMPANY OR CLIENT INFORMATION FOR PERSONAL GAIN

No person who has access to confidential (or "inside") information is permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about SST or about companies with which we do business is considered confidential information. Using material non-public information to buy or sell securities, including "tipping" others who might make an investment decision based on this information, is not only unethical, it is illegal. You must exercise utmost care when handling material inside information.

11. MEDIA/PUBLIC DISCUSSION

It is our policy to disclose to the public all material information concerning SST through channels such as press releases so that those who have an interest in SST and our securities will have equal access to the information. At the same time, we must be prudent in our dealings with the media. Our CEO and CFO are the only designated spokespersons to communicate with the media or in other public forums. Therefore, unless you are authorized to speak on behalf of SST, you should not communicate with the media or in any other public forum.

12. CORPORATE CITIZENSHIP

SST supports and encourages your involvement in community activities and professional organizations, including SST-sponsored charitable activities and fundraisers. Involvement with these types of activities, however, should not adversely affect attention to SST duties or the quality of work performed for SST.

13. INTERNATIONAL BUSINESS

You are expected to comply with the laws in all countries in which we operate. The fact that in some countries certain laws prohibiting particular conduct are not enforced in practice or that violation is not subject to public criticism or censure, will not excuse noncompliance. You also must comply strictly with United States laws and regulations applicable to the conduct of business outside the United States.

14. USE OF COMPANY TECHNOLOGICAL RESOURCES

It is extremely important that you take all necessary measures to ensure the security of your computer and any computer or voicemail passwords. You must not include sensitive or confidential information in any messages that are widely distributed or sent outside SST unless you use SST-approved security techniques. If you have any reason to believe that your password or the security of a SST technological resource has been compromised, then you must change your password immediately and report the incident to your manager and the system administrator.

Whenever you use a SST computer or communications resource to send e-mail, voicemail or to access Internet services, remember that you are acting as a representative of SST. Your use of SST resources could reflect poorly on SST, damage our reputation, and expose you personally and SST to legal liability. In addition, all e-mail, voicemail and personal files stored on SST computers are SST's property. You should therefore have no expectation of privacy in connection with these resources.

The use of technological resources must be consistent with all other SST policies, including those relating to sexual harassment, privacy, patents, copyrights and trademarks. You are prohibited from using SST's technological resources to transmit, display, store, publish or purposely receive pornographic, obscene or sexually explicit material.

15. COMPANY ASSETS

We all have a duty to safeguard SST's assets, including our physical facilities and equipment, computers, computer software, records, customer information, manpower, and SST names, logo and trademarks. SST assets should be used for SST business only.

All SST purchases should be made strictly on the basis of quality, suitability, service, price and efficiency. We should treat our suppliers fairly and equitably. It is SST policy to award orders and contracts on the basis of merit and without favoritism. Any binding contract with outside third party including financial commitment should not be entered into without legal review and approval from a Vice President or above.

16. WAIVERS

Waivers of the Code may only be granted by SST's Chief Executive Officer, provided, however, that any waiver of the Code for executive officers or directors may be granted only by the Board or a Board committee. Any such waiver of the Code for executive officers or directors, and the reasons for such waiver, will be disclosed in SST's public filings, as required by law or securities market regulations.

17. COMPLIANCE WITH THE CODE OF CONDUCT

We must all work to ensure prompt and consistent action against violations of the Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? These questions will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your manager's responsibility to help solve problems.
- Seek help from SST resources. In the rare case where it may not be appropriate to discuss an issue with your manager or where you do not feel comfortable approaching your manager with your question, discuss it with next level of management or head of Human Resources.

- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the greatest extent possible. SST does not permit retaliation of any kind against employees for good-faith reports of ethical violations.
- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance.