

CORPORATE GOVERNANCE GUIDELINES
OF
THE BOARD OF DIRECTORS
OF
LSI CORPORATION

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INTRODUCTION

The Board of Directors of LSI Corporation has adopted these Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities. The guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making at both the Board and management levels, with a view to enhancing long term stockholder value. The guidelines are not intended to conflict with or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the certificate of incorporation or by-laws of the company. The Board may change these guidelines from time to time.

THE BOARD

(a) Management of the Company's Business and Affairs; Preparation and Participation

The company's business and affairs are managed by or under the direction of the Board. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which the director sits, and to review before each meeting the material distributed in advance for the meeting. If a director is unable to attend a Board or committee meeting, he or she should notify the Corporate Secretary and the Chairman of the Board or the Chairman of the appropriate committee before the meeting.

(b) The Board's Duty to the Company and its Stockholders; Overseeing Senior Management

The Board's fundamental role is to exercise business judgment to act in what the Board members reasonably believe to be the best interests of the company and its stockholders. In fulfilling its role, the directors should be able to rely on the honesty and integrity of senior management and expert legal, accounting, financial and other advisors. The directors should have the benefit of directors' and officers' insurance, paid by the company, to indemnification to the fullest extent allowed under the company's certificate of incorporation, by-laws and Delaware law, and to exculpation as provided by the company's certificate of incorporation and Delaware law.

To fulfill its role, the Board will monitor both the performance of the company (in relation to its goals, strategy and competitors) and the performance of the Chief Executive Officer and other senior members of management and offer them constructive advice and feedback.

(c) Selection of the Chairman of the Board

The Board does not have a policy regarding the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the company at any given point in time. The Board believes this issue should be considered as part of the Board's broader succession planning process.

(d) Size of the Board

In general, the Board believes that it should have no fewer than seven and no more than 11 directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board could, however, be increased or decreased beyond this range if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate an outstanding candidate for director.

(e) Selection of New Directors

The Nominating and Corporate Governance Committee is responsible for identifying and recommending candidates for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. When formulating its Board membership recommendations, the Nominating and Corporate Governance Committee shall consider advice and recommendations from others, as it deems appropriate.

(f) Voting For Directors; Director Resignation Policy

The Company's bylaws provide that, except in contested elections, a director elected by stockholders must receive the vote of the majority of votes cast with respect to that director's election in order to be elected. In an uncontested election, any nominee for director who fails to receive the requisite majority vote shall tender his or her resignation for consideration to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will consider any such resignation in light of the best interests of the Company and its stockholders, and any other factors it deems relevant, and make a recommendation to the Board of Directors about whether to accept or reject the resignation. The Board will act on the Nominating and Corporate Governance Committee's recommendation and will disclose its decision regarding whether to accept the director's resignation offer and, if it chooses to reject the offer, its reasons for doing so, within 90 days following certification of the election results.

(g) Board Membership Criteria

Nominees for director shall be selected on the basis of the factors described in the Charter of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics for Board members. Each Board member must ensure that other existing and anticipated future commitments do not materially interfere with the member's service as director.

(h) Director Tenure

The Board believes that term limits and mandatory retirement ages are on balance not the best way to maximize the effectiveness of the Board. While these requirements could perhaps introduce fresh perspectives and make new viewpoints available to the Board, they would likely have the countervailing effect of causing the loss of the benefit gained from the contributions of directors who have developed, over time, increasing insight into the company. As an alternative to these requirements, the Nominating and Corporate Governance Committee will review the appropriateness of each Board member's continued service before renominating them for election.

Directors who retire or change the principal position they held when they were initially elected to the Board are expected to offer to resign from the Board when they retire or change their principal position.

(i) Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors under the listing standards of the New York Stock Exchange. The Board shall review annually the relationships, both direct and indirect, that each director has with the company. Following that review, only those directors who meet applicable regulatory requirements and who the Board affirmatively determines have no material relationship, either direct or indirect, with the company will be considered independent. The Board may adopt and disclose categorical standards to assist it in determining director independence.

(j) Lead Independent Director

If the Chief Executive Officer is also the Chairman of the Board, then the Board will select at the first regular Board meeting following each annual stockholder meeting, a Lead Independent Director from among the independent directors. The Lead Independent Director's duties shall include coordinating the activities of the independent and other non-employee directors, coordinating the agenda for and moderating sessions of the Board's independent and other non-employee directors, and facilitating communications among the entire Board. The identity of the Lead Independent Director will be disclosed annually in the proxy statement.

In performing the duties described above, the Lead Independent Director is expected to consult with the chairmen of the Board committees and to solicit their participation, as appropriate.

(k) Attendance at Annual Meetings

The Board expects that each director will attend the annual meeting of stockholders each year, unless he or she has a valid reason for not attending, such as a schedule conflict.

(l) Director Compensation

The form and amount of director compensation will be reviewed annually by the Compensation Committee. A director who is also an officer of the company shall not receive additional compensation for service as a director.

(m) Separate Sessions of Non-Management Directors

The non-management directors shall meet in executive session without management on a regular basis and at such times as the Chairman of the Board, or the Lead Independent Director if the Chairman of the Board is an employee of the company, shall determine. The Chairman of the Board, or the Lead Independent Director if the Chairman of the Board is an employee of the company, shall preside, or in such director's absence, another independent director designated by the Chairman of the Board, or the Lead Independent Director if the Chairman of the Board is an employee of the company, shall preside at such executive sessions.

(n) Conflicts of Interest

If a director becomes involved in activities or interests that conflict or appear to conflict with the interests of the company, the director must disclose such conflict promptly to the Corporate Secretary, who will inform the Board. The Board will determine an appropriate resolution on a case-by-case basis. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests, other than an interest arising solely from the beneficial ownership of less than 5% of the company's outstanding common stock.

(o) Self-Evaluation by the Board

The Nominating and Corporate Governance Committee will oversee an annual self-assessment of the Board's performance as well as the performance of each committee of the Board. The Nominating and Corporate Governance Committee will discuss the results of these evaluations with the full Board.

(p) Board Access to Management

Directors should have full and free access to officers and employees of the Company and, as appropriate, to the Company's outside advisors. Any meetings or contacts that a director wishes to initiate may be arranged through the Corporate Secretary or directly by the director. The Board encourages management to schedule presentations at Board meetings by managers who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, or (b) have future potential and who management believes should be given exposure to the Board.

(q) Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at each Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors.

(r) New Director Orientation and Continuing Education

As soon as practicable following election or appointment of a new director, the company will provide an orientation program for the new director. The program should be constructed to familiarize the new director with, among other things, the company's business, strategic plans,

significant financial, accounting and risk management issues, compliance programs, conflicts policies, standards of business conduct, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to participate in continuing educational programs, including at least one program not conducted by the company every two years, in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

(s) Risk Management

The Board will oversee management's evaluation of the risks faced by the company and management's efforts and plans to mitigate the potential impact of the major risks identified.

BOARD MEETINGS

(a) Frequency of Meetings

There shall be four regularly scheduled quarterly meetings of the Board each year. The Board may hold additional meetings as it deems appropriate.

(b) Selection of Agenda Items for Board Meetings

The Chairman of the Board will establish the agenda for each Board meeting and the Corporate Secretary will distribute it and associated materials to the Board in advance of the meeting. Each Board member shall be free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the company's long term strategic plans and the principal issues that the company will face in the future during at least one Board meeting each year. Ample time should be scheduled for each Board meeting to assure full discussion of important matters.

COMMITTEE MATTERS

(a) Number and Names of Board Committees

The Company shall have three standing committees: Audit, Nominating and Corporate Governance, and Compensation. The purpose and responsibilities of each of these committees shall be set forth in committee charters adopted by the Board. The Board may form new committees or disband existing committees from time to time.

(b) Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee shall make recommendations to the Board with respect to the assignment of Board members to committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the chairmen and members to the committees.

The Nominating and Corporate Governance Committee shall review annually the committee assignments and shall consider the recommendations of the chairman and members of each

committee with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

LEADERSHIP DEVELOPMENT

(a) Evaluation of Chief Executive Officer

The Compensation Committee shall conduct an annual review of the CEO's performance and will report the results of that review to the Board. The Board will review the Committee's report with a goal of ensuring that the current CEO is providing the best leadership for the company, from a short, intermediate and long-term perspective.

(b) Succession Planning

The Nominating and Corporate Governance Committee shall make an annual report to the Board on succession planning. That report should include any recommendations that the Nominating and Corporate Governance Committee has for the Board. The entire Board will work with the Nominating and Corporate Governance Committee to identify potential successors to the CEO. The CEO should make available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for those individuals.