

# MCAFEE, INC.

## CORPORATE GOVERNANCE GUIDELINES

AMENDED APRIL 27, 2009

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of McAfee, Inc. (the “Company”) to assist the Board in the exercise of its responsibilities to the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation, Bylaws and other corporate governance documents, and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time, as the Board may deem appropriate or as required by applicable laws, regulations, judgments and agreements.

### **THE BOARD**

**1. Size of the Board.** The total number of authorized directors may be fixed from time to time pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption). The Board periodically reviews its size to evaluate whether a smaller or larger slate of directors would better serve the interests of the Company and its stockholders.

**2. Selection of Board Members.** The Company’s stockholders elect all Board members, except as noted below with respect to vacancies on the Board. The Governance and Nominations Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership. After the screening process is completed, the Board will select the nominees for director.

Subject to the rights of the holders of any series of preferred stock then outstanding, vacancies and newly created directorships may be filled only by a majority of the directors then in office, and the directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires. The Board shall consider any recommendations of the Governance and Nominations Committee with respect to such new directors.

The Governance and Nominations Committee will elicit, receive and consider director candidates submitted by holders of greater than 5% of the Company’s common stock as described in the procedures attached hereto as Exhibit A.

**3. Board Membership Criteria.** The Governance and Nominations Committee is responsible for reviewing the appropriate skills and characteristics required of prospective director nominees. There are no specific minimum qualifications that must be met by a Board nominee. Nominees for director are selected on the basis of, among other criteria, significant leadership and management skill and experience, extensive knowledge of the enterprise software industry, public company experience, excellent business judgment, strong interpersonal skills,

strategic thinking, independence and integrity. The Governance and Nominations committee may also consider other factors as it may deem are in the best interests of the Company and its stockholders. The Governance and Nominations Committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that will best serve the interests of the Company and its stockholders.

**4. Independence of the Board.** At least three-quarters of the directors of the Board must qualify as “independent directors” under the listing standards of the New York Stock Exchange. Generally, the Board will deem a director independent if such director:

(i) has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Material relationships may include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships;

(ii) is not an employee, and none of their immediate family members is an executive officer, and has not received, and no immediate family member has received, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) within the preceding three years;

(iii) is not affiliated with or employed by, and none of their immediate family members is affiliated with or employed in a professional capacity by, a present or former auditor of the Company within the preceding three years (provided that a former auditor shall cease to be considered such three years after the end of the auditing relationship);

(iv) is not employed, and none of their immediate family members is employed, as an executive officer of another company where any of the Company’s present executives have served on that company’s compensation committee within the preceding three years; and

(v) is not an executive officer or an employee, and none of their immediate family members is an executive officer, of another company to which the Company has made payments, or from which it has received payments, which in any of the last three fiscal years accounted for at least 2% or \$1 million, whichever is *greater*, of such other company’s consolidated gross revenues.

An “immediate family member” includes spouses, parents, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees) who shares such director’s home.

The Board believes it is impossible to anticipate, or explicitly provide for, all circumstances that might signal potential conflicts of interests. Accordingly, in making “independence” determinations, the Board will consider all relevant facts and circumstances. The Board will annually review the relationship that each director has with the Company and using the criteria listed above (and any other facts and circumstances the Board deems relevant) determine which directors are independent (provided that no director shall be deemed independent if they fail any of the criteria above and an independent director dissents on a vote

to declare them independent). Any determination of independence for a director who does not meet the criteria set forth above will be explained in the Company's annual proxy statement.

**5. Director Responsibilities.** Directors are expected to regularly attend, and properly prepare for, all meetings of the Board and committees on which they serve; exercise independence and integrity; actively and objectively participate in Board and committee discussions, as applicable; and remain accessible to the Company's management and outside advisors.

**6. Term Limits.** The Board does not believe it should limit the terms for which a director may serve. Directors who have served on the Board for an extended period of time have a sound understanding of the Company's history, policies and objectives and are able to provide valuable insight into the Company's operations. The Board further believes that the evaluation and nomination process described in these Guidelines will ensure the Board continues to evolve and adopt new viewpoints.

**7. Board Compensation.** The Company's director compensation program is designed to align the interests of directors with the interests of the Company's stockholders and to provide fair compensation. Accordingly, non-employee directors of the Company are granted equity awards as set forth in the Company's non-employee director equity compensation plan. Non-employee directors of the Company are paid cash compensation, as determined from time to time by the Board or its designated committee, including an annual retainer for their general service to the Company, an additional annual retainer to the chairpersons of the Audit Committee, Compensation Committee and Governance and Nominations Committee, and an additional amount per meeting of the Board or committee attended. In addition, the Company reimburses its non-employee directors for certain out-of-pocket expenses incurred in connection with their duties as members of the Board or a committee and medical insurance benefits. Directors who are employees or are otherwise affiliates of the Company are not compensated for their services as directors.

The Governance and Nominations Committee shall report to the Board periodically on the Company's director compensation program in relation to other U.S. companies of comparable size and the Company's competitors. Changes in director compensation, if any, should reflect consideration of the Governance and Nominations Committee recommendation and consideration of an outside compensation consultant's recommendation, but with full discussion and concurrence by the Board.

Directors serving on the Audit Committee shall not receive any compensation from the Company other than for serving on the Board and/or a Board committee.

**8. Evaluation of the Board.** The Governance and Nominations Committee shall oversee the annual evaluation of the Board's performance. The Governance and Nominations Committee is responsible for establishing the evaluation criteria, overseeing the conduct of the evaluations and reporting the evaluation results to the full Board. The purpose of the annual reviews is to improve the effectiveness of the Board and each Board committee and not to target the performance of any individual director or committee member.

**9. Separate Sessions of Independent Directors.** The Board's independent directors shall meet without the Company's management in regularly scheduled executive sessions (the "Executive Sessions") in conjunction with each meeting of the Board.

**10. Lead Independent Director.** In the event that the Company does not have a non-Executive Chairman of the Board, the independent members of the Board shall elect an independent director by secret ballot to act in a lead capacity to coordinate the other independent directors, as described below. The holder of the Lead Director position shall rotate at least once every five (5) years. The Lead Director shall be responsible for coordinating the activities of the independent directors. In addition to the duties of all Board members (which shall not be limited or diminished by the Lead Director's role), the specific responsibilities of the Lead Director are to advise the Chairman of the Board to undertake, or otherwise undertake, the following:

(i) determine an appropriate schedule of Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the flow of the Company's operations;

(ii) prepare agendas for the Board meetings, and request committee chairpersons similarly prepare agendas for their committee meetings;

(iii) assess the quality, quantity, and timeliness of the flow of information from the Company's management that is necessary for the independent directors to effectively and responsibly perform their duties, including, as appropriate, specific requests of the Company's management for the inclusion of certain materials for the Board;

(iv) review the retention of consultants who report directly to the Board;

(v) ensure that the Governance and Nominations Committee oversees compliance with and implementation of the Company's corporate governance policies and ensures that the chairperson of the Governance and Nominations Committee oversees the process to recommend revisions to the Company's corporate governance policies;

(vi) ensure that the Audit Committee oversees compliance with an implementation of the Company's Accounting, Internal Audit and Independent Audit policies and procedures and ensures that the Audit Committee chairperson is qualified to, and properly discharges his or her duties with respect thereto;

(vii) coordinate, develop the agenda for, and moderate Executive Sessions of the Board's independent directors, and act as principal liaison between the independent directors and the Chairman of the Board and/or Chief Executive Officer on sensitive issues;

(viii) evaluate, along with the members of the Compensation Committee and the full Board, the Chief Executive Officer's performance and meet with the Chief Executive Officer to discuss the Board's evaluation; and

(ix) The Lead Director shall have the authority to retain such counsel or consultants as the Lead Director deems necessary to perform his or her responsibilities

**11. Other Board Memberships.** Independent directors shall be limited to serving on the Boards of no more than five (5) public companies, including the Company, unless the other independent directors consent.

**12. Board Contact with Management.** Board members shall be entitled to complete access to the Company's management and, as necessary and appropriate, to the Company's outside advisors. Access to the Company's management is generally coordinated through the Company's Chief Executive Officer.

**13. CFO Financial Reviews.** At each regularly scheduled Board meeting, the Company's Chief Financial Officer or designee shall provide a report that includes year-to-date financial results and quarterly and year-to-date financial results that include the Company's financial condition and prospects and, as appropriate under the circumstances, discuss the reasons for material increases or decreases in expenses and liabilities, if any; and/or revenues and earnings, if any, including any modification or adjustment of reserve accounts or contingencies.

The Chief Financial Officer shall be responsible for ensuring that the Company's revenue recognition policy conforms to the requirements of the Securities Acts of 1933, the Securities and Exchange Commission and Generally Accepted Accounting Principles, as currently in effect or as amended, and is implemented and utilized throughout the Company. The Chief Financial Officer shall report to the Board or the Audit Committee periodically regarding the operation of this policy. The Chief Financial Officer shall ensure that the Company has a revenue recognition training program that includes senior sales personnel. Any questions regarding the Company's revenue recognition policy, or its application, shall be directed to the Company's trained revenue accounting staff, who shall, as appropriate, inform the Chief Financial Officer.

**14. Conflicts of Interest.** If an actual or potential conflict of interest develops between a director and the Company, such conflict should be immediately reported to the Chairman of the Board for evaluation. If the Board or the Audit Committee determines that the actual or potential conflict of interest is significant, then such conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the Board, excuse himself or herself from the participation in the discussion and shall abstain from voting on the matter.

**15. Board Orientation and Continuing Education.** The Company generally familiarizes new directors with the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Additionally, each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

**16. Management Succession.** The Board is responsible for ensuring the Company has adopted an adequate management succession plan. The Chief Executive Officer shall report at least annually to the Board on the Company's program for management development and on succession planning, which the Board views as closely-related issues. In its consideration of these issues, it is the policy of the Board to consider issues related to CEO and senior executive

selection and performance. The Chief Executive Officer's report to the Board shall also include a short-term succession plan that delineates a temporary delegation of authority to certain officers of the Company, if all or a portion of the executive officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary.

**17. Personal Loans to Executives.** The Company shall not, directly or indirectly (including through a subsidiary) extend or maintain credit to, arrange for the extension of credit to, or renew the extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

**18. Stockholder Communications with Directors.** The Company encourages stockholders who want to communicate directly with a particular director or directors to send their communications in writing to the attention of the Secretary of the Company in an envelope marked "Stockholder Communication with Directors." The Secretary of the Company will review the communication and deliver it to the director or directors named in the correspondence. If the Secretary determines that the communication is threatening, vulgar or of an inappropriate nature not relating to the business of the Company or a director's service as a director, the communication will not be delivered. Typically, if a communication requires a response, the Secretary of the Company will prepare and send the response, working with the director or directors named in the correspondence.

**19. Attendance at Stockholder Meetings.** Board members are encouraged to attend all stockholder meetings in person.

## **BOARD MEETINGS**

**1. Frequency of Meetings.** The Board shall meet at least four (4) times annually. In addition, special meetings may be called from time to time as provided in the Company's Bylaws.

**2. Meeting Materials.** To the extent feasible, board materials should be distributed to directors in advance of a meeting to allow sufficient time for review. Management will attempt to ensure board materials are concise and provide adequate information to allow the directors to make informed decisions on all corporate governance matters.

## **COMMITTEE MATTERS**

**1. Number and Names of Board Committees.** The Company shall have at least three standing committees: Audit Committee, Governance and Nominations Committee and Compensation Committee. The purpose and responsibilities for each of the Audit, Governance and Nominations and Compensation Committees are outlined in the respective committee charters adopted by the Board, which (i) will be publicly disclosed, (ii) include specific items as required by applicable law and (iii) provide for annual committee self-assessment. The Board may determine to appoint a new committee (including an ad hoc committee) or disband a current committee, as provided in the Company's Bylaws.

- 2. Independence of Board Committees.** The Audit, Governance and Nominations and Compensation Committees will be composed entirely of independent directors.
- 3. Frequency of Committee Meetings.** The chairperson of each committee, in accordance with the committee's charter and in consultation with the members of the committee, will determine the frequency of the committee meetings.
- 4. Committee Agendas.** The chairperson of each committee, in consultation with committee members and appropriate members of management and staff, will develop the committee's agenda, and will attempt to ensure committee materials are concise and provide adequate information to allow committee members to make informed decisions.
- 5. Evaluation of Committees of the Board.** Each committee shall annually review its charter and recommend to the Board any changes it deems necessary.
- 6. Use of Consultants.** Each committee may hire outside consultants and experts to assist it in evaluating proposals, transactions and information supplied by management, and such costs will be paid by the Company.

## EXHIBIT A

### Procedures to Elicit, Receive and Consider Recommendations for Director Candidates From Greater than 5% Stockholders

- 1. Adoption.** The Board has established the following procedures to be conducted by the Governance and Nominations Committee (the “Committee”) of the Board, to annually elicit, receive and consider candidates for the Board from each individual or entity holding more than five percent (5%) of the Company’s common stock (a “Greater than 5% Stockholder”).
- 2. Notice.** In conjunction with the Committee’s annual process to identify and review Board nominee candidates, the Committee will notify Greater than 5% Stockholders that the Committee is commencing the process and that any recommendation should be submitted.
- 3. Company Contact Information.** The Company’s website provides information describing how Greater than 5% Stockholders may contact the Secretary of the Company to submit a recommendation of a candidate for the Board. The Secretary shall, after qualifying the communication, promptly forward the name(s) of candidates for the Board from such Stockholder(s) to the Committee.
- 4. Eligibility.** Any Greater than 5% Stockholder that is entitled to vote in the election of directors generally at the upcoming annual meeting of stockholders (“Annual Meeting”) may recommend a candidate for the Board.
- 5. Submission Requirements.** Recommendations must include (i) the name, age, business address and residence address of the candidate, (ii) the principal occupation or employment of the candidate, (iii) the class and number of shares of the Company which are held of record or are beneficially owned by the candidate and any derivative positions held or beneficially held by the candidate, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the candidate with respect to any securities of the Company, and (v) a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or manage the risk or benefit from share price changes for, or increase or decrease the voting power of the candidate with respect to any securities of the Company,.
- 6. Review.** An appropriate review, including background information and interviews of candidates will be conducted by or on behalf of the Committee of each candidate recommended by a Greater than 5% Stockholder in compliance with these procedures.
- 7. Consideration of Recommendation.** The names and other information relating to qualified candidates recommended by a Greater than 5% Stockholder in compliance with these procedures will be given to the Committee for consideration. The Committee will consider in good faith in accordance with its procedures for evaluating candidates and Board membership criteria, any qualified candidate recommended by a Greater than 5% Stockholder in compliance with these procedures.
- 8. Notice of Disposition.** Following the Annual Meeting the Committee will notify Greater than 5% Stockholders that properly recommended candidates for the Board why their

recommended candidates were included or not included in the Company's slate of nominated directors.

**9. Determination of Stockholder Holdings.** For purposes of these procedures, the determination of the stockholders that hold greater than five percent (5%) of the Company's common stock shall be based on their most recent Schedule 13D or 13G filed with the Securities and Exchange Commission prior to the date the Committee notifies Greater than 5% Stockholders as described in paragraph 2 above of these procedures.