

Transmeta Code of Conduct

This code of conduct summarizes basic rules and ethical principles governing the business conduct of Transmeta's employees, officers and directors ("Transmeta personnel"). This statement references but does not diminish or replace Transmeta's existing rules, policies, procedures or agreements, all of which remain in full force and effect. You are expected to continue to comply with all of those more detailed statements, including but not limited to our rules, policies, procedures and agreements regarding employee conduct, conflicts of interest, proprietary information and inventions, securities trades by Transmeta personnel, our critical accounting policies and financial controls, equal employment opportunity, and maintenance of a harassment-free workplace. Transmeta expects to update those various rules, policies and procedures from time to time as appropriate.

Transmeta's rules of conduct are grounded in respect for the laws, rules and regulations applicable to our business. Although legal rules can be complicated or ambiguous, you are expected to make a good-faith effort to comply with them, and to seek guidance when you are in doubt or have questions. You are expected to comply with all local, state and federal laws and regulations; to refrain from illegal, dishonest or unethical conduct; and to apply and follow these principles using your common sense and good judgment.

Our rules of conduct require and serve to ensure that all Transmeta personnel act for the safety and welfare of our employees and operations by observing high standards of job performance and business conduct. Our rules of conduct prohibit conduct detrimental to the interests of Transmeta and its stockholders, employees, customers, partners and third parties, including the following:

- Any act that involves theft, fraud, embezzlement, or misappropriation of any property, including that of the company or any of its employees, suppliers or customers.
- Acts of dishonesty, including falsification of records.
- Misuse or destruction of Company property, or of the property of others on Company premises.
- Violation of the Company's conflicts of interest rules.
- Unauthorized disclosure or use of confidential or proprietary information.
- Inappropriate use of electronic communication, including communication that could be viewed as harassment, threatening, derogatory, or abusive to another employee or customer.

Transmeta will generally discipline violations of our conduct rules internally, according to our performance management guidelines. We administer those guidelines to identify and inform employees of performance issues and to address such issues in a manner that maintains the integrity of our business and operations. When circumstances warrant, employees may be placed on instant suspension without an improvement plan until management has an opportunity to investigate or consult with Human Resources, the General Counsel or the Board of Directors.

Conflicts of Interest

Transmeta's conflicts of interest policy requires and serves to ensure that all Transmeta personnel will avoid or correct situations that might create an actual or potential conflict between their personal economic interests and the business interests of Transmeta. It is the policy of Transmeta not to restrict or interfere with the freedom of its personnel to engage in or pursue personal economic or other activities that do not conflict with their obligations to the Company.

A conflict of interest exists when you or a member of your immediate family has a personal economic interest that impairs or appears likely to impair your independent judgment or practical ability to properly advance or protect the business interests of the Company. All Transmeta personnel are expected to avoid both the fact and appearance of conflicts of interest.

This policy statement cannot practically describe every situation that might give rise to a conflict of interest, but the following examples illustrate conflicts of interest that would implicate this policy:

- Transmeta personnel and members of their immediate families should neither solicit nor accept any investment or any other financial interest in, nor any employment relationship with, any customer, supplier, or competitor of Transmeta if they are or might be in any position to influence any business decision or negotiation involving Transmeta and that other party. For example, Transmeta employees should not solicit or accept stock options or other financial interests in any other company with which they might, or do conduct business or negotiate transactions on behalf of Transmeta. This policy does not prohibit Transmeta employees from holding or purchasing on the open market for investment purposes the securities of any other publicly traded company, provided that the employee does not hold more than one percent of the outstanding stock of that other company.
- Transmeta personnel and members of their immediate families should not invest or speculate in materials, equipment or real estate that is purchased, leased, rented or sold by Transmeta, or that is the subject of a prospective transaction that Transmeta is negotiating or contemplating.

- Transmeta personnel should not accept any employment or consulting arrangement outside Transmeta without notice to and prior approval from Transmeta's General Counsel. Any such arrangement with a competitor of Transmeta would be considered a conflict of interest.
- Transmeta personnel and members of their immediate families should not seek or accept any loan or guarantee from any creditor, customer, supplier, or competitor of Transmeta. Personal loans from financial institutions with which Transmeta maintains business relationships are permissible; provided, however, that any Transmeta employee who deals with a financial institution on behalf of Transmeta may not solicit or accept any personal loan or other financial assistance on any terms other than those generally available to all Transmeta employees.
- Transmeta personnel should not conduct or transact any business on behalf of the company with a family member without the prior approval of Transmeta's General Counsel.

Questions about conflicts of interest should be directed to Transmeta's General Counsel or Human Resources Department. If you become aware of an actual or potential conflict of interest, you must notify your manager and the General Counsel. In the event that a conflict of interest is found to exist, you will be given a reasonable opportunity to correct the conflict situation. If you are unable or unwilling to correct the conflict, you may be asked to resign or your employment may be terminated.

Proprietary and Confidential Information

Transmeta is engaged in a continuous program of research and development relating to present and future products and to advanced technologies related to its business. You are expected to contribute to that research and development program and to assist Transmeta in every proper way to obtain, protect and from time to time enforce intellectual property rights relating to our technologies and inventions.

Transmeta has a relationship of confidence and trust with you regarding any information of a confidential or secret nature that you learn at Transmeta, including our technologies and other information that has been invented, developed, discovered or otherwise known by Transmeta and that has commercial value in our business ("Proprietary Information"). Proprietary Information includes but is not limited to software programs and code, trade secrets, know-how, inventions (whether patented or not), copyrights, and information relating to designs, tools, schematics, circuits, manufacturing, assembly, improvements, techniques, product plans, marketing plans, pricing, forecasts, customer lists, strategies, compensation of Transmeta employees, costs and any other nonpublic financial data.

Our rules regarding Proprietary Information and inventions are based on the recognition that our business and business relationships depend upon our respect and proper handling of Proprietary Information belonging to Transmeta and to the third parties with whom we do business, including our customers, vendors, and strategic and development partners.

You are required to respect and protect the confidentiality of all Proprietary Information, whether owned by Transmeta or by any third party. During and after your employment with Transmeta, you must keep in confidence all Proprietary Information. You will not use or disclose Proprietary Information without the written consent of Transmeta, except as may be necessary in the ordinary performance of your duties. If your employment with Transmeta is terminated for any reason, you will promptly deliver to Transmeta all documents and data containing or pertaining to Proprietary Information, and you will not keep or take with you any such documents or data or any reproductions of such items.

You have not brought and may not bring to Transmeta, or use in the performance of your duties at Transmeta, any materials or documents from any former employer or belonging to any other person or company that are not generally available to the public, unless you have first obtained written authorization from the former employer or other person or company and delivered such authorization to Transmeta.

During your employment with Transmeta, you will not, without written consent, engage in any employment or consulting activity other than for Transmeta in any business in which Transmeta is now or may hereafter become engaged. In your performance of your duties as a Transmeta employee, you may not breach any nondisclosure or confidentiality agreement with any third party. Proprietary Information should be disclosed only to those Transmeta personnel who require it to perform their duties for Transmeta.

You should decline to accept any unsolicited third-party confidential or Proprietary Information. If you receive any such information inadvertently, you should return it unopened to the third party or to the General Counsel for appropriate disposition.

Accounting and Financial Reporting

Transmeta recognizes that it is imperative to maintain the confidence of our stockholders, employees, customers, vendors and the public in the integrity of our accounting, financial management and public reporting. Transmeta personnel are responsible to ensure that all transactions and corporate assets are properly accounted for, that our critical accounting policies are observed, and that our audits are thorough and complete. Our CEO, CFO and other senior financial managers are also required to comply with Transmeta's Code of Ethics for Chief Executive Officer and Senior Financial Officers.

You are expected to support the Company's efforts to make full, fair, accurate, timely and understandable disclosures in compliance with applicable laws and regulations in the reports and documents that we file with the Securities and Exchange Commission (SEC) and other authorities. You must follow all Transmeta standards, policies and procedures designed to promote compliance with this policy, including the following:

- Transmeta personnel must support Transmeta's stated revenue recognition policies. To the extent that you are involved in revenue transactions, you are required to ensure that all such transactions are completed, to the best of your knowledge, in accordance with our revenue recognition policies.

- Transmeta personnel may not make any commitment to any customer or vendor, verbally or in writing, that has not been documented in order documentation or in an agreement submitted to our finance or legal departments.
- Transmeta personnel are expected to support and assist in the proper documentation and timely recording of all transactions. While only selected employees are responsible for maintaining accounting and financial records, many employees contribute to maintaining Transmeta's records. Transmeta personnel must provide accurate and complete information to the finance and legal departments. No false, misleading or artificial entries may be made on Transmeta's books and records.
- Transmeta personnel are expected to support and assist in the various audit processes that are required for Transmeta's business operations and regulatory reporting. Fraudulently influencing, misleading, coercing or manipulating the auditors of Transmeta's financial statements for the purpose of manipulating Transmeta's financial statements is prohibited.
- Any disclosure of information regarding Transmeta's sales forecasts or the status of any specific negotiation or transaction to any person outside of Transmeta is prohibited, except for certain specially authorized disclosures to current or prospective business partners or investors, and then only pursuant to a written nondisclosure agreement.
- Transmeta personnel are generally prohibited from communicating with media, industry analysts or financial analysts about Transmeta's business or any corporate matters, unless and to the extent that you have been specifically authorized to act as a spokesperson for the Company.

Transmeta has enabled and maintains multiple means for raising concerns or submitting complaints about accounting and financial management matters, including those means described in Transmeta's related Policy Regarding Accounting Complaints and Concerns.

Compliance and Reporting

If you have questions about any of Transmeta's rules or policies, you should seek guidance from your manager, Human Resources or the General Counsel. If you know of or suspect any violation of applicable laws or conduct rules, you should immediately report that information to your manager, Human Resources or the General Counsel.

As set out below, you will not be subject to any retaliation based upon any request for guidance or any good faith report of any suspected violation. However, any employee who knowingly makes a false allegation of illegal or ethical misconduct for the purpose of harming another person will be subject to disciplinary action.

No Retaliation

Transmeta prohibits any retaliation, retribution or hostile reaction of any kind by or on behalf of any Transmeta or any Transmeta personnel against any person who makes a report or complaint in good faith with a reasonable basis for believing that a violation of this Code or other illegal or unethical conduct has occurred or will occur. Any attempt to take such retaliatory action will result in discipline against the persons involved.

Amendments and Waivers

Any amendment or waiver of any provision of this Code of Conduct with respect to any Transmeta personnel must be approved in writing by Transmeta's General Counsel or Board of Directors, or by others acting under their authority.

In addition, any amendment or waiver with respect to any officer, director or Senior Financial Officer" subject to Transmeta's Code of Ethics for Chief Executive Officer and Senior Financial Officers must be submitted to and approved by either: (i) the Audit Committee of the Board of Directors, if the matter is primarily of a financial nature or if the waiver is within the Code of Ethics for Chief Executive Officer and Senior Financial Officers; or (ii) in all other cases, the Nominating and Corporate Governance Committee of the Board of Directors.

In the rare event that you might consider it unavoidable to deviate from this Code, you must obtain prior written approval for such conduct as provided above. In the event that circumstances preclude prior approval, you must report the event to the General Counsel as soon as possible.

Important Disclaimers and Reservations of Right

This Code of Conduct is a general statement of certain fundamental principles, policies and procedures that govern Transmeta personnel in the conduct of Transmeta's business. This statement reflects general principles to guide Transmeta personnel in making ethical business decisions. It cannot, and is not intended to, address every specific situation in which Transmeta may find it appropriate to take disciplinary action against its personnel. It is not intended to create, and does not create, any contract (express or implied) with any individual, including without limitation any employment contract or any promise that the employment of any Transmeta personnel will be not terminated except for cause.

This Code of Conduct is not intended to and does not create any right or rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

Referencing, among other stated rules and policies, Transmeta's standard Agreement Regarding Proprietary Information and Inventions (adopted October 1995); Transmeta's Procedures and Guidelines Governing Securities Trades By Company Personnel (November 17, 2000, as amended May 9, 2003); Transmeta's Conflict of Interest Policy (May 16, 2001); Transmeta's Rules of Conduct (August 20, 2001); Transmeta's Policy Regarding Accounting Complaints and Concerns (October 15, 2002); and Transmeta's Code of Ethics for Chief Executive Officer and Senior Financial Officers (October 13, 2003).