



Making Next-Generation Networks a Reality.

VITESSE SEMICONDUCTOR CORPORATION

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the "Board") of Vitesse Semiconductor Corporation ("Vitesse" or the "Company") has adopted the following Corporate Governance Guidelines ("Guidelines"), which, together with the charters of the Board's standing committees, the Company's Code of Business Conduct and Ethics, the Company's Code of Business Conduct and Ethics for Members of the Board of Directors and the Company's Code of Ethics For Chief Executive Officer and Senior Financial Officers, provides the principal framework of corporate governance for the Company. These Guidelines will be subject to evaluation, review and change. They will be formally reviewed and evaluated at least annually by the Nominating and Corporate Governance Committee, which shall make recommendations of appropriate changes to the Board of Directors.

I. THE ROLE OF THE BOARD OF DIRECTORS

A. General Role of Management and the Board

The day-to-day management of the Company is the principal responsibility of management. The Board of Directors is elected by the stockholders to oversee management in its performance of that function. The Board's overriding objective is to represent the interests of the stockholders.

B. Primary Functions of the Board

1. Reviewing and approving the Company's long-term strategic plan and objectives, and regularly monitoring the Company's performance with respect thereto.
2. Reviewing the operating and financial goals of the Company and monitoring the performance of the Company in light thereof.
3. Reviewing and approving major corporate transactions.
4. Selecting, evaluating and approving the compensation of the Chief Executive Officer and overseeing management succession planning.
5. Providing general oversight advice regarding the selection, development, evaluation and compensation of senior management.
6. Ensuring that the Company maintains an ethical business environment and complies with all applicable legal and regulatory requirements.

II. BOARD COMPOSITION

A. Size of the Board

The Company believes that a Board of between five and nine members, as determined from time to time, is the appropriate size and best enables the Company to achieve its goals and objectives. Consistent with the Company's By-laws, the Board has the authority to increase or decrease the number of directors. Members are elected to one-year terms.

B. Selection and Appointment

The Directors are elected each year by the stockholders at the Annual Meeting. Stockholders may propose nominees for consideration by the Nominating and Corporate Governance Committee by submitting names and supporting information in accordance with the Company's By-laws and instructions provided in the Company's most recent annual proxy statement. The Board annually recommends to the stockholders a slate of nominees for election to the Board and may fill vacancies on the Board for the remaining term of such vacancies.

C. Term Limits/Retirement Age

The Board does not believe it should establish term limits. Term limits may result in the loss of directors who have developed, over a period of time, substantial insight into the Company and its operations. As an alternative to term limits, the Nominating and Corporate Governance Committee, in consultation with the Chief Executive Officer, and the Chairperson of the Board (as described below), as applicable, evaluates and reviews each director's performance on the Board prior to a director's nomination for another term. The Board does believe that it should not nominate any incumbent director or candidate who has already attained the age of 72, unless this requirement is waived by a unanimous vote of the independent Directors, excluding participation by any interested person. Furthermore, all directors are entitled to full benefits upon reaching the age of 72 in the event of retirement, resignation, death or disability, even if such event occurs prior to the end of such director's term.

D. Simultaneous Service on Other Public Company Boards

No director may serve on the Boards of more than three other public companies while serving on the Company's Board. Prior to accepting an invitation to serve on the Board of another company, the director shall notify the Chair of the Board and the Chairperson of the Nominating and Corporate Governance Committee.

E. Director Independence

In accordance with the listing standards of all exchanges upon which the Company's stock may be traded and consistent with best business practices for publicly traded companies, the Company requires that at least three-fourths of its directors, and all members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, be independent. For purposes of these guidelines, an "Independent Director" is a director who meets the definition of "independence" as set forth by each applicable exchange and the General Standards for independence established by the Board as delineated in Exhibit A to these Guidelines.

F. Lead Director

The Lead Director shall be the Chairperson of the Board who shall always be an independent director. The Independent Directors shall annually elect by secret ballot the Chairperson of the Board to act in a lead capacity to coordinate the other independent directors, as described below. The Chairperson of the Board is 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 Chairperson of the Board's role), the specific responsibilities of the Chairperson of the Board are to undertake the following:

- (a) 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;
- (b) cause to be prepared, after consultation with management, agendas for the Board and Committee meetings; and
- (c) coordinate, develop the agenda for, and moderate executive sessions of the Independent Directors, and act as principal liaison between the Independent directors and the Chief Executive Officer on sensitive issues.

The Chairperson of the Board shall have the authority to retain such counsel or consultants as the Chairperson of the Board deems necessary to perform his or her responsibilities.

The Chairperson of the Board will be compensated for assuming these additional responsibilities, with the amount of said compensation to be determined by the entire Board.

G. Selection Of New Director Candidates

The Board shall recommend the election of its own members, upon the recommendation of the Nominating and Corporate Governance Committee, which consists entirely of Independent Directors, with direct input from the Chairperson of the Board as well as the Chief Executive Officer. An invitation to join the Board should be extended on behalf of the Board by the Chairperson of the Board or the Chairperson of the Nominating and Corporate Governance Committee.

H. Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board on an annual basis the appropriate skills and characteristics desired of Board members to supplement the qualifications of the current Board members. This assessment should address issues of diversity, age, and skills in the context of an evaluation of the current and expected needs of the Board. Continued Board membership of a former Chief Executive Officer shall be decided on a case-by-case basis.

In selecting new directors of the Company, consideration will be given to: each individual director's personal qualities and abilities; the collective skills and aptitudes of all of the directors, taking into account the responsibilities of the Board; and qualifications imposed by law and regulation. Directors should be persons who have achieved prominence in their respective fields and who have experience at a strategy/policy setting level or who have high-level managerial experience and who are accustomed to dealing with complex problems. Directors should possess integrity, independence, energy, forthrightness, analytical skills and commitment to devote the necessary time and attention to the Company's affairs. Directors should also possess a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust. Directors shall be committed to representing the interests of all stockholders and not to advancing the interests of special interest groups or constituencies of stockholders. The Nominating and Corporate Governance Committee may, from time to time, establish additional qualifications for directors as it shall deem appropriate. See Exhibit B for the Company's current criteria for Directors.

Collectively, the Board should reflect a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as gender, race and ethnicity differences, as

well as other differentiating characteristics. In addition, each director should contribute positively to the existing chemistry and collaborative culture among Board members.

III. CORPORATE GOVERNANCE

A. Corporate Governance Decisions

Decisions on matters of corporate governance shall be referred by the Board to the Nominating and Corporate Governance Committee, which will consider the matter and make a recommendation to the Independent Directors.

B. Selection Of Agenda Items For Board Meetings

The Chairperson of the Board and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member shall be entitled to include any item on the agenda.

C. Board Materials

Information and data that are important to the Board's understanding of the business to be conducted at the meeting should, whenever possible, be distributed in writing to the Board several days before the Board meeting. Management should make every attempt to see that this material is as concise as possible, while still providing the desired information. The Board is to be consulted on a regular basis to solicit their views of the Board materials and any suggestions on how to make such materials more effective.

D. Board Meetings

The Board generally holds four to six regular meetings each year. Attendance at Board meetings is a priority, and directors should make every effort to personally attend every meeting. Attendance by telephone is discouraged except when necessary due to unavoidable conflicts in a director's schedule. Directors are expected to attend the Annual Meeting of Stockholders in person.

E. Regular Attendance of Non-Directors At Board Meetings

The Board encourages attendance at each Board Meeting of non-Board members who are members of the CEO's executive staff. Should the Board want to add additional people as attendees on a regular basis, it will make such request to the CEO.

F. Executive Sessions Without Management

The directors who are not officers of the Company (the "Non-Management Directors") shall meet at regularly scheduled executive sessions without the Chief Executive Officer or other members of the Company's management present. The Board will schedule an executive session of the Non-Management Directors in conjunction with each Board meeting, and the Chairperson of the Board shall preside at such sessions. Any director may also request additional executive sessions of Non-Management Directors to discuss any matter of concern. If the Non-Management Directors include any director who is not an Independent Director, at least once each year the Independent Directors shall meet in executive session.

G. Conflicts Of Interest

Directors should have no relationship with the Company that might compromise their duties as directors. To avoid inadvertent conflicts of interest, directors must disclose to other Board members all business or other relationships with the Company and recuse themselves from decisions and discussions affecting those relationships. The Company annually solicits updated information from directors in order to monitor any actual or potential conflicts of interest. Additionally, directors should update the Company, by promptly notifying the Chief Executive Officer and the Chairperson of the Board if an actual or potential conflict of interest arises. The full Board, excluding participation by the interested director, will then determine if a conflict of interest exists.

H. Non-Management Director Compensation Review

The Compensation Committee, with input from management, will review and report each year to the Board as to the status of the Company's compensation of its Non-Management Directors in relation to other similarly situated U.S. companies. Changes in Non-Management Director compensation, if any, should come at the recommendation of the Compensation Committee, but with full discussion and concurrence by the Board. A director who is also an employee of the Company shall not receive any incremental compensation from the Company in recompense for serving as a member of the Board.

I. Stock Ownership

The grant of stock options to directors, which return no monetary value unless the stockholders as a whole benefit from an increase in the Company's stock price, are an effective means of aligning the interests of the Company's directors with the interests of its stockholders. Directors are also expected to own shares of Company stock.

J. Stockholder Proposals

All stockholder proposals shall be evaluated by the Nominating and Corporate Governance Committee which shall determine, with the assistance of outside advisors, if necessary, whether the stockholder proposal is in the best interest of the Company and meets the requirements of the SEC. The Nominating and Corporate Governance Committee shall recommend to the Board for or against such stockholder proposal and the reasons for such recommendation. If the proposal is included in the Company's proxy statement, the Board shall recommend for or against such proposal and the reason for such recommendation shall be set forth in that proxy statement.

IV. COMMITTEES

A. Number Of Committees

The Board believes that committees should be created and disbanded from time to time depending on the particular interests of the Board, issues confronting the Company and legal requirements. However, the Board intends to maintain as permanent standing committees an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. All members of these committees must meet the General Standards set forth in Exhibit A to these Guidelines, and members of the Audit Committee must also meet the additional Audit Committee Standards set forth in Exhibit A.

B. Assignment And Rotation Of Committee Members

The full Board, upon the recommendation of the Nominating and Corporate Governance Committee and input from the Chief Executive Officer, is responsible for the assignment of Board members to various committees in compliance with the applicable legal and regulatory requirements. Each committee chairperson also has the authority to appoint, on a temporary basis, one or more Independent Directors to the committee that he or she chairs. Consideration should be given to rotating committee members periodically at about a five-year interval.

C. Committee Agenda

The chairperson of each committee, in consultation with the Chairperson of the Board, the Chief Executive Officer and appropriate members of management and staff, will develop the committee's agenda.

D. Frequency And Duration of Committee Meetings

The chairperson of each committee, in consultation with committee members, will determine the frequency and expected duration of the meetings of the committee.

E. Committee Charters

The Board will adopt appropriate charters for each committee; all such charters shall comply with the then current legal and regulatory standards, including the listing standards of NASDAQ or any other exchange on which the Company's stock is traded. The charters will set forth purposes and responsibilities of the committees, and will address committee membership and procedures for committee member appointment and removal. The charters will also provide that each committee annually evaluate its performance. The Board will consider amendments to committee charters either on its own initiative or when recommended by the committee.

F. Other Directorships and Audit Committee Memberships

Directors should advise the Chief Executive Officer and the Chairperson of the Board before accepting membership on other boards of directors of public companies or other significant commitments involving affiliation with other businesses or governmental units. While there may be value gained from service on other boards of directors, such service may have legal and regulatory implications to the Company and/or may present recurrent conflicts of interest with the Company. No Audit Committee member may serve on the audit committees of more than three public companies (including the Company), unless the Board determines and the Company discloses in its annual stockholders' meeting proxy statement that such service does not impair the member's ability to serve effectively on the Audit Committee.

V. PERFORMANCE EVALUATION

A. Chief Executive Officer Evaluation

The Independent Directors shall, with the guidance of the Chairperson of the Board and the chairperson of the Compensation Committee, evaluate the Chief Executive Officer on an annual basis. The evaluation should be communicated to the Chief Executive Officer by the Chairperson of the Board and the Chairperson of the Compensation Committee. The evaluation should be based on the short and long term goals established for the Chief Executive Officer and other objective criteria, including the performance of the business, accomplishment of long-

term strategic objectives, development and recruitment of management, etc. The evaluation will be used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

B. Board and Director Performance

The Chairperson of the Nominating and Corporate Governance Committee, in conjunction with the Chairperson of the Board, is responsible to report annually to the Board regarding the performance of the Board and its committees. This will be discussed with the full Board. This report should follow the end of each fiscal year and should include a report on the individual performance of each Board member. The essential purpose of the Board evaluation process is to increase the effectiveness of the Board. The Nominating and Corporate Governance Committee will be responsible for developing and implementing guidelines for the annual formal survey of the effectiveness of the Board (including its committees) and its members.

VI. MANAGEMENT SUCCESSION AND DEVELOPMENT

A. Succession Planning

The Chief Executive Officer shall make an annual report to the Board regarding planning for his succession in the ordinary course. The Chief Executive Officer shall also make available, on a continuing basis, recommendations as to a successor should he or she unexpectedly be disabled or cease to serve as Chief Executive Officer. The Board will discuss these succession plans in executive session and provide the Chief Executive Officer with appropriate comments.

B. Management Development

The Chief Executive Officer shall make an annual report to the Board regarding the Company's program for developing its senior and high potential management. This report should be given to the Board at the same time as the succession planning report noted above.

VII. ADDITIONAL POLICIES

A. Orientation and Continuing Education

In order to promote director effectiveness and meet current legal and regulatory requirements, including those of NASDAQ, the Nominating and Corporate Governance Committee shall develop and recommend that the Board adopt such orientation programs as it deems necessary to familiarize new Board members with the Company's businesses and the operations, policies and procedures of the Board. New members are also encouraged to meet with key members of management and visit the Company's facilities and offices. The Nominating and Corporate Governance Committee will also either develop continuing education programs for all directors or provide a schedule of external continuing education programs, which directors are encouraged to attend to assist them in performing their Board responsibilities.

B. Communicating Concerns to the Company

The Board believes that, under ordinary circumstances, management speaks for the Company and the Chairperson of the Board speaks for the Board. Individual Board members may, from time to time, meet with or communicate with various constituencies that are involved with the Company, excluding any communications with Wall Street analysts. Further, in order to comply with current regulations of the Securities and Exchange Commission ("SEC") regarding

stockholders' communications with the Company, stockholders and interested parties may communicate with the Board or any member of the Board including the Chairperson of the Board, by sending a written communication to the Board or such person, as applicable, c/o Vitesse Semiconductor Corporation, 741 Calle Plano, Camarillo, California 93012. Any such communication should indicate that the person sending the communication is a stockholder. In addition, shareholders may communicate with members of the Board of Directors via e-mail to Board@vitesse.com. In addition, in response to legal requirements, any employee who has a concern about the Company's accounting, internal accounting controls or auditing matters, may call 1-888-359-6332 or access the website www.ethicspoint.com, which is managed by an independent vendor, and the message will be forwarded on to the Chairperson of the Audit Committee on an anonymous basis, if so desired or send an e-mail to auditchair@vitesse.com.

C. Administration of the Corporate Governance Guidelines

The Nominating and Corporate Governance Committee is charged with the responsibility of administering these Corporate Governance Guidelines. The Nominating and Corporate Governance Committee reviews these Guidelines annually and, when appropriate, recommends changes to the Board. Anyone who has any questions regarding these Guidelines, should contact the Chairperson of the Nominating and Corporate Governance Committee.

D. Ethics and Legal Compliance

The Company has adopted a Code of Business Conduct and Ethics, Code of Business Conduct and Ethics for Members of the Board of Directors and a Code of Ethics for Chief Executive Officer and Senior Financial Officers. The Company conducts its business in accordance with the highest legal and ethical standards and has adopted educational programs and a compliance program to ensure that it does. The Code of Business Conduct and Ethics, the Code of Business Conduct and Ethics for Members of the Board of Directors and the Code of Ethics for Chief Executive Officer and Senior Financial Officers, as well as these Corporate Governance Guidelines and the Charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, are posted on the Company's website at www.vitesse.com.

E. Access to Management and to Independent Advisors

The Board will meet regularly with management. Non-Management Directors shall have access to individual members of management and to other employees of the Company as the Board or its committees deems appropriate. Committees are authorized to conduct independent investigations and, as necessary and appropriate, except as otherwise provided in the charter of any committee of the Board, to hire independent advisors at the Company's expense. Directors shall also have regular access to Company books and records.

Revised: August 7, 2008

EXHIBIT A

INDEPENDENCE STANDARDS

The Board of Directors (the "Board") will annually evaluate the independence of each director. A director is independent if the director meets each of the following General Standards and the Board determines that the director has no material relationship with the Company that is not of a nature addressed by these standards. For purposes of these standards, the "Company" means Vitesse Semiconductor Corporation and its consolidated subsidiaries.

GENERAL STANDARDS

1. the director is not, and in the past three years has not been, an employee of the Company and is not, and in the past five years has not been, an elected officer of the Company;
2. no immediate family member of the director is, or in the past five years has been, employed as an elected officer of the Company;
3. neither the director nor a member of the director's immediate family receives, or has in the past three years received, any direct compensation from the Company in excess of \$40,000 per year (other than compensation for Board service, compensation received by the director's immediate family member for service as a non-executive employee of the Company, and pension and other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service));
4. the director is not, and in the past three years has not been, affiliated with or employed by the Company's internal or external auditor, and no member of the director's immediate family, is, or in the past three years, has been, affiliated with or employed in a professional capacity by the Company's internal or external auditor;
5. neither the director nor a member of the director's immediate family is, or in the past three years has been, part of an interlocking directorate in which a current executive of the Company served on the compensation committee of another public company where the director or the director's immediate family member concurrently served as an executive officer;
6. the director is not an executive officer, partner, majority owner or person in control of another company, nor is any member of the director's immediate family an officer of another company that makes payments to or receives payments from the Company, or during any of the last three fiscal years has made payments to or received payments from the Company, for property or services in an amount that, in any single fiscal year, exceeded the lesser of \$1,000,000 or 5% of the other company's consolidated gross revenues and did not directly result in a material increase in the compensation received by that person from such entity;
7. the director is not an executive officer, trustee or board member of a non-profit organization, foundation or educational institution to which the Company makes, or in the past three fiscal years has made, payments that, in any single fiscal year, exceeded the greater of \$200,000 or 5% of the non-profit organization's, foundation's or educational institution's consolidated gross revenues;
8. neither the director nor a member of the director's immediate family has a personal services contract with the Company or any member of the Company's senior management;

9. neither the director nor a member of the director's immediate family has an interest in any investment that overlaps with an investment that the Company has (equity, debt or hybrid);
10. neither the director nor any member of the director's immediate family is employed by a public company at which an executive officer of the Company serves as a director; and
11. neither the director nor any member of the director's immediate family, during the current fiscal year or any of the three immediately preceding fiscal years, has had any business relationship with the Company for which the Company has been required to make disclosure under Regulation S-K of the SEC, other than for service as a director or for which relationship no more than *de minimus* remuneration was received in any one such year; provided, however, that the need to disclose any relationship that existed prior to a director joining the Board shall not in and of itself render the director non-independent. Remuneration is deemed *de minimus* if such remuneration is \$40,000 or less in any fiscal year, or if such remuneration is paid to an entity, it (i) did not for any fiscal year exceed the lesser of \$1,000,000 or 5% of the gross revenues of the entity, and (ii) did not directly result in a material increase in the compensation received by such person from such entity.

Any direct or indirect relationship between a director and the Company that is not of a nature addressed by these standards will be reviewed by the Board on a case-by-case basis and any such relationship that is found to be material will preclude a determination that the director is independent. For purposes of these standards, an "immediate family member" means a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who share such person's home.

AUDIT COMMITTEE STANDARDS

In addition, a director is not considered independent for purposes of serving on the Audit Committee, and may not serve on that committee, if the director: (1) receives, either directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than fees for service as a director and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company or any of its subsidiaries (provided that such compensation is not contingent in any way on continued service); or (2) is an "affiliated person" of the Company or any of its subsidiaries; each as determined in accordance with the applicable SEC regulations.

The Board will annually review all business, commercial and charitable relationships of the directors. Whether directors meet the foregoing categorical independence tests will be reviewed annually. The Board will make its determination of director independence public annually prior to director elections and make any required disclosures in its next annual proxy statement.

These Corporate Governance Guidelines and Independence Standards are subject to future changes by the Board, upon recommendation of the Nominating and Corporate Governance Committee, as it may find necessary or advisable for the Company to achieve its corporate governance objectives or as required by law or pursuant to the rules and regulations of the SEC and NASDAQ.

EXHIBIT B

CURRENT CRITERIA FOR DIRECTORS

In selecting new directors of the Company, consideration will be given to each individual director's personal qualities, experiences and abilities; the collective skills of all of the directors, taking into account the responsibilities of the Board; and qualifications imposed by law and regulation.

Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareowners. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We endeavor to have a board representing diverse experiences at a strategy/policy setting level, and people who have high-level managerial experience and who are accustomed to dealing with complex problems. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should also possess a willingness to challenge and stimulate management and demonstrate the ability to work as part of a team in an environment of trust. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities. The Corporate Governance/Nominating Committee may, from time to time, establish additional qualifications for directors as it shall deem appropriate.

Collectively, the Board should reflect a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as gender, race and ethnicity differences, as well as other differentiating characteristics. In addition, each director should contribute positively to the existing chemistry and collaborative culture among Board members. Finally, candidates should be free of conflicts of interest or competing fiduciary obligations.

The Company is currently searching for individuals who meet the above criteria and can fill one or more of the following roles:

1. Financial Expert (per Sarbanes Oxley regulations)

- ◆ Ideally, an experienced CFO with a Fortune 500 company or an ex-partner/auditor at audit firm
- ◆ Holds strong views on strategic and operational finance
- ◆ Experienced with re-statements
- ◆ Experienced with SEC issues

2. Technical/Market Expert

- ◆ Expert with good view into our customers and our customers' customer. Ideally, a networking expert from an equipment ODM or Telecom Carrier
- ◆ Chief Technology Officer, VP of Business Development, CEO or a venture capital person
- ◆ Strong experience in market strategies
- ◆ Strong experience with M&A

3. Business Leader

- ◆ Sitting or Former CEO or COO of a technical Fortune 500 company
- ◆ Experienced strategic thinker
- ◆ Operations experience
- ◆ Financial competence
- ◆ Strong experience with M&A a plus