



Policy Name: **STOCK TRADING POLICY**
Policy #: BV-FIN-03
Effective Date: March 31, 2006
Last Revision:

IT IS ILLEGAL FOR ANY EMPLOYEE TO USE INSIDE INFORMATION TO, OR PASS ON SUCH INFORMATION SO THAT OTHERS MAY, PROFIT FROM TRADING IN THE STOCK OF ALLIANCE OR ANY OTHER PUBLIC COMPANY. ALSO, DIRECTORS AND CERTAIN OFFICERS OF THE COMPANY ARE SUBJECT TO ADDITIONAL CONDITIONS, INCLUDING RESTRICTIONS ON THE TIMING OF TRADES IN ALLIANCE'S STOCK AND CERTAIN REPORTING REQUIREMENTS.

Overview

“Inside information” is information that, if publicly available, would be likely to affect the market price of the company’s stock or would be likely to be considered important by investors.

If you possess inside information, regardless of your position in the company, you must refrain from trading in the company’s stock or communicating the information to anyone else until you know that the information is publicly available.

Additional rules applicable to directors and certain officers include:

- Trades should normally take place only during a “trading window” beginning on the third business day after general release of Alliance’s annual or quarterly financial results, and ending on the fourteenth day of the final month of each quarter.
- Affected directors and officers are subject to federal regulations, including the resale restrictions of Rule 144, the trading prohibitions of Sections 16(b) and 16(c) of the Securities and Exchange Act, and SEC reporting requirements See the “Guidelines” sections below for further details.

Guidelines – Inside Information

Examples of “inside information” are listed below (note that this is not an all-inclusive list):

- financial results or forecasts;
- major new products;
- acquisitions or dispositions;
- pending public or private sales of debt or equity securities;
- major contract awards or cancellations;
- top management or control changes;
- possible tender offers;
- significant write-offs;
- significant litigation; and
- corporate partner relationships.

Anyone who trades, or advises others to trade, in Alliance's stock or in the stock of other public companies engaged in business transactions with Alliance is subject to both civil liability and criminal penalties, as well as disciplinary action by Alliance. There is no "de minimis" test for insider trading, meaning that those who misuse inside information are violating the law regardless of how few shares are involved.

Prohibition Against Short Selling of Company Stock

No director, officer or other employee, agent or contractor may, directly or indirectly, sell any shares of Alliance common stock if he or she 1) does not own the security sold, or 2) if he or she owns the security but does not deliver it against such sale (a "short sale against the box") within 20 days thereafter, or does not within 5 days after such sale deposit it in the mails or other usual channels of transportation. No director, officer or other employee, agent or contractor may engage in short sales or any transaction involving a financial collar such as a "put" or a "call". A short sale, as defined in this policy, means any transaction whereby one may benefit from a decline in the trading price of Alliance common stock. Transactions in "put" and "call" options for Alliance securities constitute a short sale for the purposes of this policy and are therefore prohibited. While employees who are not directors or executive officers are not prohibited by law from engaging in short sales of Alliance securities, we have adopted as our policy that employees may not so engage.

Guidelines – Directors, Certain Officers and Employees

All directors and certain officers are subject to additional rules and restrictions, including:

- "Trading window" and "Quiet Periods" – to avoid any appearance of impropriety, purchases or sales of Alliance stock should only be made during the period that begins on the third business day after general release of Alliance's annual or quarterly financial results, and ending on the fourteenth day of the final month of each quarter. Conversely, the Quiet Period during which no trading in Alliance stock should occur runs from the fifteen day of the final month of each quarter up to the third business day after general release of Alliance's annual or quarterly financial results. A Quiet Period may last longer if there are pending events such as those described in "Guidelines – Inside Information" above. Individuals affected by this policy must review trades in advance with the Chief Financial Officer, General Counsel or Corporate Treasurer.

However, the "trading window" may be closed early or may not be opened if, in the judgment of Alliance's Chief Executive and Chief Financial Officers, there exists undisclosed information that would make trades by members of Alliance management inappropriate.

Purchases of Alliance stock pursuant to the exercise of employee stock options or pursuant to Alliance's Employee Stock Purchase Plan are generally not prohibited during a trading window. However, sales of shares so purchased are prohibited

- "Short-swing trading" – under Rule 16(b) of the Securities and Exchange Act, certain individuals may not retain any profit they make when they both buy and sell Alliance stock during any continuous six-month period. For purposes of this rule, acquisitions under an Employee Stock Purchase Plan and of stock option exercises are generally not deemed "purchases".

- Reporting requirements – periodic reports that may need to be filed include those required under Section 16 of the Securities Exchange Act of 1934 as amended (i.e., Forms 3, 4, and 5) and Form 144, as appropriate.

The above rules are discussed in detail in a separate memorandum, available from the Chief Financial Officer.

The directors, officers or employees affected by the above regulations include: All members of the Board of Directors of Alliance Semiconductor, Inc.

- The Chief Executive Officer
- All persons reporting directly to the Chief Executive Officer. As of the effective date of this Policy, these persons are: the Executive Vice President and General Manager, Worldwide Field Operations; the Senior Vice President, Business Development; the Vice President, Worldwide Marketing; and the Executive Administrator for the Chief Executive Officer.
- All Regional General Managers, including: the General Managers of North America and South America (NASA), Europe, Middle East and Africa (EMEA), and Asia, Pacific and Japan (APJ).
- All persons who have positions with routine access to corporate level financial information, including: the Corporate Controller, Vice President, Finance, the Manager of Financial Planning and Analysis and Investor Relations, any Regional Financial Controllers (including any Controllers for NASA, EMEA, APJ), and all positions with routine access to the complete worldwide weekly sales forecast.

This list of persons affected by these regulations may be modified from time to time. Accordingly, any person holding a corporate office or with a title of vice president should confirm whether or not he/she is subject to these regulations with the Chief Financial Officer.

As of the effective date of this policy the following officers are required to file the monthly Form 4 and the annual Form 5: Chief Executive Officer and Chief Financial Officer,. All members of the Board of Directors are required to file such forms as well. The Employee Stock Administrator is available to assist in filing the appropriate forms.

Officers affected by the above regulations who believe that special circumstances require them to trade outside the window period should consult with the Chief Financial Officer. Permission to trade will be granted only where the circumstances are extenuating and there appears to be no significant risk that the trade may subsequently be questioned.

Questions and Exceptions

The Chief Financial Officer approves all exceptions to this policy.

Please refer any questions about this policy to the Chief Financial Officer.