



POLICY ON INSIDER TRADING

Integrated Micro-Electronics, Inc. (“IMI”) is adopting a policy on Insider Trading. Any person transacting (also referred to as the act of buying and selling) for their own account in IMI securities, are advised to consult this Policy before transacting. If you have specific questions regarding this Policy or the applicable laws, contact our Compliance Officer.

Policy	It is the policy of IMI that directors, officer and employees of IMI who are considered to have knowledge, from time to time, of material facts or changes in the affairs of IMI, which have not been disclosed to the public, including any information likely to affect the market price of IMI’s securities, cannot buy or sell (“trade”) IMI securities, except in accordance with this policy.
Securities	Includes IMI’s shares of stock, options to purchase stocks, bonds and other evidences of indebtedness.
Covered Persons	For the purpose of this Policy, an “insider” will be defined as follows: <ul style="list-style-type: none">i. All members of the Board of Directors;ii. All Key Officers of IMI who are or may be in possession of material non-public information about IMI because of their responsibilities. Key officers of IMI include the Chairman, President, Senior Managing Directors, Managing Directors, Vice Presidents, Assistant Vice Presidents and managers wherever they be assigned or seconded to the subsidiaries;iii. Consultants and Advisers of IMI;iv. All other IMI employees who are made aware of undisclosed material information from time to time until such information has been publicly disclosed.v. Member of the immediate families of Key Officers and Covered Persons who are living in the same household as the Key Officers and Covered Persons.

Material Non-public Information

Information is deemed to be material non-public if it has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or would be considered by a reasonable person as important, under the circumstances, in determining his course of action whether to buy, sell or hold a security. While it is not possible to define all categories of material information, the information required to be disclosed under the rules of the Securities and Exchange Commission and the Philippine Stock Exchange, as a general rule, should always be considered material in nature.

Restrictions on Trading

- a. Black-out periods
Key Officers and Covered Persons are strictly prohibited from trading during the following periods:
 - 1. Structured Disclosures:

- i. Five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results;
 - 2. Non-structured Disclosures:
 - i. Two (2) trading days after the disclosure of any material information other than Item 1(i) above; Office bulletins for special Black-out Periods pertaining to the above will be issued by the Compliance Officer.
- b. Exception
The exercise of vested stock options (i.e. acquiring shares) may be done at any time, even during Black-out periods. However, the liquidation, (i.e., the sale of shares acquired from options) is subject to Black-out periods.
- c. In addition, insiders who have knowledge of material non-public information, from the time they obtained knowledge of such information shall not trade in IMI securities until the material non-public information is disseminated to the public and a period of two (2) trading days has lapsed from the disclosure thereof for the market to absorb such information.

Compliance Policy

- a. When in doubt, all key officers and Covered Persons should consult the Office of the Compliance Officer, prior to transacting securities of the Company, regardless of when they would like to perform such transactions, in order to determine if the trade will or will not violate the Policy.
- b. Certain Staff may at certain times or from time to time possess material non-public information about potentially market-affecting activities. The staff should consult the Compliance Officer about any plan to trade on securities if they have knowledge or believe to have knowledge of such material non-public information to ensure compliance with this Policy.

Reporting Policy

All key officers and covered persons are required to report their trades to the Office of the Compliance Officer on a quarterly basis.

Non-compliance

Violation of this policy shall be subject to disciplinary action under the Company's Code of Conduct, without prejudice to any civil or criminal proceedings which the Company or regulators may file for violation of existing laws. Insider trading under the law may be subject to penalty for damages or fine and/or imprisonment.