

Company Name: **Integrated Micro-Electronics, Inc.**

Year: **2015**

Date of Financial Year End: **2014**

LEVEL 1

PART A. Rights of Shareholders

| A.1 Basic Shareholders Rights | | |
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| Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? | Yes | <p>Shareholders have the right to receive dividends subject to the discretion of the Board. The Commission may, however, direct the Corporation to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except:</p> <p>a) when justified by definite corporate expansion projects or programs approved by the Board or</p> <p>b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or</p> <p>c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for a special reserve for probable contingencies.</p> <p>Manual of Corporate Governance, Article VII, 1.e. page 24 http://www.global-imi.com/media/downloads/2014/08/IMI-Revised-Manual-of-Corporate-Governance_July312014.pdf</p> <p>All shareholders are treated equally and paid within 30 days after declaration date. http://edge.pse.com.ph/openDiscViewer.do?edge_no=073c6321729acfa472785c150f4cd6d2#sthash.7vCVKNIP.dpbs</p> <p>2014 SEC Form 17-A, Part II, Item 5, page 37 http://www.global-imi.com/media/downloads/2015/04/2014-SEC-Form-17-A_Integrated-Micro-Electronics-Inc..pdf</p> |
| A.2 Right to participate in decisions concerning fundamental corporate changes. | | |
| A.2.1 Amendments to the company's constitution? | Yes | <p>The Company's constitution or By-Laws may be amended, repealed or modified by the affirmative vote of the stockholders owning or representing a majority of the outstanding capital stock and majority of the Board of Directors at any regular meeting or at any special meeting duly called for the purpose; Provided, however, that by the affirmative vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock, the power and authority to amend or repeal these By-Laws or adopt new By-Laws may be delegated to the Board of Directors; Provided, finally, that the delegation of such powers and authority to the Board shall be</p> |

Company Name: **Integrated Micro-Electronics, Inc.**

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| | | <p>considered as revoked whenever stockholders owning or representing a majority of the outstanding capital stock shall so vote at a regular or special meeting called for the purpose.</p> <p>Amended By-Laws, Article IX, Section 2, page 10 http://www.global-imi.com/media/2011/08/IMI_Amended-By-Laws-2012.pdf</p> |
| A.2.2 The authorization of additional shares? | Yes | <p>All stockholders have pre-emptive rights, unless there is a specific denial of this right in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation may lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which are protected by law so long as they are not in conflict with the Corporation Code.</p> <p>Manual of Corporate Governance, Article VII, 1.b. page 24 http://www.global-imi.com/media/downloads/2014/08/IMI-Revised-Manual-of-Corporate-Governance_July312014.pdf</p> |
| A.2.3 The transfer of all or substantially all assets, which in effect results in the sale of the company? | Yes | <p>All shareholders may exercise appraisal right in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code.</p> <p>Manual of Corporate Governance, Article VII, 1.f. page 25 http://www.global-imi.com/media/downloads/2014/08/IMI-Revised-Manual-of-Corporate-Governance_July312014.pdf</p> |
| A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings. | | |
| A.3.1 Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners? | Yes | <p>2015 Definitive Information Statement of IMI, page 9-10 http://www.global-imi.com/media/downloads/2015/03/2015-IMI-Definitive-IS.pdf</p> <p>Minutes of 2011 Annual Stockholders' Meeting where the stockholders fixed the remuneration of Board of Directors of the Company, page 4 to 5. http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2011.pdf</p> |

Company Name: **Integrated Micro-Electronics, Inc.**

Year: **2015**

Date of Financial Year End: **2014**

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| A.3.2 Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners? | Yes | Charter of the Board of Directors, Section 4, Item 1. Page 4. http://www.global-imi.com/media/2015/06/IMI-Executive-Committee-Res.-No.-E-01-15.pdf |
| A.3.3 Does the company allow shareholders to elect directors/commissioners individually? | Yes | <p>The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of share he/she owns entitles him/her for as many persons as many votes as the number of Directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she may see fit, provided that the whole number of votes cast by him/her shall not exceed the number of shares owned by him/her multiplied by the whole number of Directors to be elected.</p> <p>Amended By-Laws, Article III, Section 8, page 3 http://www.global-imi.com/media/2011/08/IMI_Amended-By-Laws-2012.pdf</p> |
| A.3.4 Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds? | Yes | <p>The Corporation discloses voting and vote tabulation procedures used before the meeting through its Definitive Information Statement.</p> <p>In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.</p> <p>Voting will be by poll. Upon registration at the annual stockholders' meeting, each stockholder will be given a ballot to enable him to vote in writing on each item or proposal in the Agenda. Nonetheless, each stockholder may vote <i>viva voce</i> or by other means of communicating his approval or objection. All votes will be counted and tabulated by the Office of the Corporate Secretary and the results will be validated by the external auditor of the Company, SGV & Co.</p> <p>2015 Definitive Information Statement of IMI, Item 17, page 15 http://www.global-imi.com/media/downloads/2015/03/2015-IMI-Definitive-IS.pdf</p> |

Company Name: **Integrated Micro-Electronics, Inc.**

Year: **2015**

Date of Financial Year End: **2014**

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| A.3.5 Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues? | Yes | The Company's minutes of the most recent AGM includes all relevant issues raised by the shareholders. 2015 Annual Stockholders' Minutes of Meeting, page 10 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |
| A.3.6 Do the minutes of the most recent AGM record questions and answers? | Yes | The Company's minutes of the most recent AGM includes all relevant issues raised by the shareholders. 2015 Annual Stockholders' Minutes of Meeting, page 10 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |
| A.3.7 Does the disclosure of the outcome of the most recent AGM include resolution(s)? | Yes | The Company's minutes of the most recent AGM includes all resolutions approved by the shareholders. 2015 Annual Stockholders' Minutes of Meeting http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |
| A.3.8 Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM? | Yes | The Corporation discloses the voting results including approving, dissenting and abstaining votes for each agenda item for the most recent AGM. 2015 Voting Results http://www.global-imi.com/media/downloads/2015/04/IMI-2015-Voting-Results1.pdf |
| A.3.9 Does the company disclose the list of board members who attended the most recent AGM? | Yes | The Company's minutes of the most recent AGM includes the list of board members who attended the AGM. 2015 Annual Stockholders' Minutes of Meeting, page 1 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |
| A.3.10 Did the chairman of the board of directors/commissioners attend the most recent AGM? | Yes | The Chairman of the BOD have attended the most recent AGM of the Company. 2015 Annual Stockholders' Minutes of Meeting, page 1 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |
| A.3.11 Did the CEO/Managing Director/President attend the most recent AGM? | Yes | The CEO/President have attended the most recent AGM of the Company. 2015 Annual Stockholders' Minutes of Meeting, page 1 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf |

Company Name: **Integrated Micro-Electronics, Inc.**

Year: **2015**

Date of Financial Year End: **2014**

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| A.3.12 Did the chairman of the Audit Committee attend the most recent AGM? | Yes | <p>The Chairman of the audit committee have attended the most recent AGM of the Company.</p> <p>2015 Annual Stockholders' Minutes of Meeting, page 1 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf</p> |
| A.3.13 Did the company organize their most recent AGM in an easy to reach location? | Yes | <p>The 2015 Annual Stockholders' Meeting last April 6, 2015 was held at the Ballroom 2, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City.</p> <p>Notice of Annual Stockholders' Meeting http://www.global-imi.com/media/2015/06/IMI-Notice-of-ASM-2015.pdf</p> |
| A.3.14 Does the company allow for voting in absentia? | Yes | <p>Any stockholder entitled to vote may be represented by proxy at any regular or special stockholders' meetings. Proxies shall be in writing and signed, but no other formality is required.</p> <p>Amended By-Laws, Article III, Section 6, page 3 http://www.global-imi.com/media/2011/08/IMI_Amended-By-Laws-2012.pdf</p> |
| A.3.15 Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM? | Yes | <p>The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of share he/she owns entitles him/her for as many persons as many votes as the number of Directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she may see fit, provided that the whole number of votes cast by him/her shall not exceed the number of shares owned by him/her multiplied by the whole number of Directors to be elected.</p> <p>Amended By-Laws, Article III, Section 8, page 3 http://www.global-imi.com/media/2011/08/IMI_Amended-By-Laws-2012.pdf</p> |
| A.3.16 Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM? | Yes | <p>The Company's minutes of the most recent AGM disclosed that SyCip Gorres Velayo & Company (SGV) validated the results of the votes tabulation.</p> <p>2015 Annual Stockholders' Minutes of Meeting, Item 4, page 2 http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf</p> |
| A.3.17 Does the company make publicly available by the next working day the result of the votes taken during the | Yes | <p>The voting result of the Company's' most recent AGM was posted in the Disclosure section of the IMI website.</p> <p>2015 Voting Results (Posted April 7, 2015) http://www.global-imi.com/media/downloads/2015/04/IMI-2015-Voting-Results1.pdf</p> |

Company Name: **Integrated Micro-Electronics, Inc.**

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| most recent AGM for all resolutions? | | |
| A.3.18 Do companies provide at least 21 days' notice for all resolutions? | Yes | <p>Written notice of each stockholders' meeting stating the date, time and place and, for a special meeting, the purpose(s) for the meeting is called, shall be given by the Corporation not less than fifteen (15) business days prior to the date of the meeting to each stockholder of record, to the stockholder's address as it appears on the record of the stockholders of the Corporation.</p> <p>Annual Corporate Governance Report, Section J, Page 49 http://www.global-imi.com/media/downloads/2015/04/SEC-Form-ACGR_Integrated-Micro-Electronics-Inc_Apr-20151.pdf</p> |
| A.3.19 Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement? | Yes | <p>The Company's notice of AGM includes the rationale and explanation for each agenda item.</p> <p>2015 Annual Stockholders' Minutes of Meeting http://www.global-imi.com/media/2015/06/IMI-Minutes-ASM-2015.pdf</p> |
| A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner. | | |
| In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price? | Yes | <p>In cases of mergers, acquisitions, and/or takeovers requiring shareholders' approval, the Company's BOD appoints an independent party to evaluate the fairness of the transaction.</p> <p>Annual Corporate Governance Report, Section K, Page 53 http://www.global-imi.com/media/downloads/2015/04/SEC-Form-ACGR_Integrated-Micro-Electronics-Inc_Apr-20151.pdf</p> |
| A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated. | | |
| Does the Company publicly disclose policy/practice to encourage shareholders including institutional | Yes | <p>The Company post in the official website the Notice of AGM, it is publicly disclosed thru PSE Edge Portal.</p> <p>http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=622</p> |

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| shareholders to attend the general meetings or engagement with the Company? | | |
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