



CHARTER OF THE COMPENSATION COMMITTEE

The Board of Directors (“Board”) of Integrated Micro-Electronics, Inc. (the “Corporation”) hereby adopts this Charter of the Compensation Committee (the “Committee”):

Section 1. Membership

1. **Composition** – the Committee shall be composed of at least three (3) members, majority of whom shall be Independent Directors. The Board from time to time increase the membership of the Committee, and appoint members therein, who may or may not be directors of the Corporation.

The Board shall designate one (1) member of the Committee, who must be an Independent Director, as its Chairman.

2. **Term** – The Board shall appoint the members of the Committee at the annual organizational meeting of the Board and each member shall serve upon his election until the next organizational meeting of the Board unless removed or replaced by the Board.
3. **Vacancy** – Any vacancy in the Committee caused by the death, resignation, or disqualification of any member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remained of the term, or until his successor shall have been duly elected and qualified.

Section 2. Powers, Duties and Responsibilities of Committee

The Committee shall have the following powers, duties and responsibilities:

1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation’s culture, strategy and control environment;
2. Review, at least annually, the performance of each of the Chairman of the Board, the Chief Executive Officer (CEO), the President and Chief Operating Officer (COO) and measure such performance against each of his goals and objectives pursuant to the Corporation’s plans and determine his or her compensation for the approval of the Board;
3. Review the structure and competitiveness of the Corporation’s executive officer compensation programs considering the following factors: (i) to the attraction and retention of executive officers; (ii) the motivation of executive officers to achieve the Corporation’s

business objectives; and (iii) the alignment of the interests of executive officers with the long-term interests of the Corporation's shareholders and other stakeholders;

4. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among things, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
5. Disallow any director to decide his own remuneration during his incumbent term;
6. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year;
7. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Section 3. Meetings

The Committee shall meet in person or telephonically at least twice a year at a time and place determined by its Chairman, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairman. Actions of the Committee may also be taken by written consent (in physical, electronic, or digital format) by majority of the members when deemed necessary or desirable by the Committee or its Chairman.

Section 4. Miscellaneous

1. **Access to Information** – The Committee shall have reasonably free and full access to all relevant information, data, records properties and personnel.
2. **Technical Assistance** – The Corporate Secretary, management and personnel of the Corporation shall provide technical assistance and support to the Committee.
3. **Reports to the Board** – The Chairman of the Committee or his designated representative shall report to the Board all actions of the Committee at the meeting of the Board following such actions.
4. **Confidentiality of Records** – the Corporate Secretary shall keep and have custody of the records of the Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records shall be kept confidential.
5. **Annual Review** – This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.
6. **Effectivity** – This Charter shall take effect when approved by the Board of Directors.