



CHARTER OF THE RELATED PARTY TRANSACTION COMMITTEE

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

Section 1. Membership

1. **Composition** – the Committee shall be composed at least three (3) non-executive directors, two of whom should be independent, including the Chairman, to be appointed by the Board.
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. Duties and Responsibilities of Committee

The Committee shall have the following duties and responsibilities:

1. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
2. Evaluates all material RPTs to ensure that these are not undertaken on more favorable terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - a. The Related party’s relationship to the company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the corporation of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and

- e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
3. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing materials conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
4. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
5. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
6. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Section 3. Meetings

The Committee shall hold meetings as often as may be deemed necessary or desirable at a time and place determined by its Chairman.

The 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 by the Committee or its Chairman.

The minutes of the Committee meeting will be recorded and maintained by the Corporate Secretary and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designated representative shall act as a secretary for the meetings.

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.

Revised Manual of Corporate Governance, May 2017