

# **Nam Tai Electronics, Inc.**

## **Compensation Committee Charter**

### **PURPOSE**

The Compensation Committee (the “Committee”) has overall responsibility for evaluating and making recommendations to the Board of Directors (the “Board”) of Nam Tai Electronics, Inc. (the “Company”) regarding (i) compensation of the Company’s board of directors; (ii) compensation of any executive director and the Chief Executive Officer (“CEO”) with reference to achievement of corporate goals and objectives established in the previous year; (iii) compensation of Non-CEO<sup>1</sup> if required by the Board ;and (iv) equity based and incentive compensation programs of the Company.

### **STRUCTURE AND MEMBERSHIP**

1. The Committee shall consist of a minimum of three independent directors.
2. Members of the Committee shall be appointed annually by the Board upon the recommendation of Nominating / Corporate Governance Committee and may be removed by the Board in its discretion.
3. The members of the Committee shall be composed of independent directors of the Company who shall satisfy all applicable independence and other requirements of law and the New York Stock Exchange.
4. The Chairman of the Committee shall be appointed by the Board.

### **ROLE**

1. The Committee shall meet at least once per year. An agenda, with all supporting documents shall, to the extent practical, be circulated at least 7 days before the meeting to the committee members to permit meaningful review. Each member of the Committee may suggest including any items to the agenda for discussion in the meeting. The agenda for the meeting shall be approved by the Chairman of the Committee before dispatch to members of the Committee.

2. The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall submit to the Board the minutes of its meetings.
3. The Committee shall at least annually evaluate its operations with a report to and feedback from the Board regarding the Committee's performance.
4. The Committee shall review and reassess at least annually the adequacy of this Charter. Any amendment to the Charter subsequent to the establishment of the Committee shall be approved by the full Board of Directors upon recommendation of the Committee.
5. Resolutions of the Committee shall be by majority vote.
6. A resolution in writing signed by all Committee members shall be as valid and effective as a resolution passed at a meeting duly convened. Any such resolution may be contained in one document or separate copies prepared and/or circulated for the purpose and signed by one or more of the Committee members. A message sent by a member by facsimile or other remote electronic information delivery system shall be deemed to be a document signed by the member for the purpose of the resolution.

### **SCOPE OF RESPONSIBILITIES**

The Committee shall carry out the following activities:

1. Review and approve on an annual basis the corporate goals and objectives relevant to the compensation of any executive directors and the CEO. Evaluate the performance of any executive directors and the CEO with reference to those goals and objectives and, either as a Committee or together with the other independent directors (as directed by the Board), and recommend the compensation level of any executive directors and CEO based on this evaluation to the Board. In determining the long-term incentive component of the compensation of the executive directors, if any, and the CEO, the Committee shall also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive directors and the CEO of comparable companies, the awards given to them in past years and awards given them by any of the Company's subsidiaries or operating groups. Any executive directors and the CEO shall not be present during voting or deliberations relating to their compensation.

2. If required by the Board, review and make recommendations to the Board with respect to the compensation of the Company's non-CEO, including, without limitation, equity based and incentive compensation programs.
3. Select peer groups of companies that shall be used for purposes of determining recommended compensation packages for the executive directors, if any, the CEO and non-CEO as appropriate.
4. Prepare any report required by the U.S. Securities and Exchange Commission (the "Commission") to be included in the Company's Annual Report filed on Form 20-F with the Commission or in any proxy statement furnished to shareholders of the Company.

### **AUTHORITY**

1. The foregoing list of responsibilities is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.
2. The Committee shall have the authority to delegate any of its responsibilities to any subcommittees as the Committee may deem appropriate in its sole discretion.
3. If compensation consultants, outside counsels or other advisors are to assist in the evaluation of compensation for directors, CEO or non-CEO compensation, the Committee shall have authority to retain and terminate such compensation consultants, outside counsels and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve their fees and other retention terms.

<sup>1</sup> The term "Non-CEO" refers to other senior management as determined by the Board from time to time.