

SEMILEDS CORPORATION
COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the “Compensation Committee”) of the board of directors (the “Board”) of SemiLEDs, a Delaware corporation (the “Company”), is to discharge certain responsibilities of the Board with respect to compensation and to make such reports in respect of compensation, compensation practices and related matters as may be required of a compensation committee under the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including without limitation the Compensation Committee report to stockholders for inclusion in the Company’s annual proxy statement.

Membership and Organization

The Compensation Committee shall be comprised of at least two (2) independent members, each of whom shall be a duly appointed member of the Board. Such members shall be appointed by the Board annually and each member of the Compensation Committee shall serve at the pleasure of the Board and may be replaced by the Board. Unless a chair is designated by the Board, the members of the Compensation Committee may appoint a chair of the Compensation Committee.

At any time during which the Company is subject to the periodic reporting requirements of the Exchange Act, each member of the Compensation Committee will be:

- (i) “independent” as defined under applicable rules of each stock exchange on which the Company’s shares are listed for trading or otherwise publicly quoted (except as otherwise permitted under such rules);
- (ii) a “non-employee director” under Rule 16b-3(b)(3)(i) promulgated under the Exchange Act; and
- (iii) an “outside director” under the rules promulgated under Section 162(m) of the Internal Revenue Code of 1986.

No action of the Compensation Committee shall be valid unless taken pursuant to a resolution adopted and approved by both members of the Compensation Committee.

The Compensation Committee may also act by unanimous written consent of the then-serving members of the Compensation Committee.

Authority and Responsibilities

The authority delegated to the Compensation Committee is set forth below. This description of authority is intended as a guide and the Compensation Committee may act and

establish policies and procedures that are consistent with this charter or are necessary or advisable, in its discretion, to carry out the intent of the Board in delegating such authority and to fulfill the responsibilities of the Compensation Committee hereunder.

1. The Compensation Committee shall review the Company's compensation policies and practices at least annually to assess the adequacy in promoting the long-term interests of the Company and its stockholders and to further assess whether such compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

2. The Compensation Committee has exclusive authority to determine the amount and form of compensation paid to the Company's Chief Executive Officer, and to take such action, and to direct the Company to take such action, as is necessary and advisable to compensate the Chief Executive Officer in a manner consistent with its determinations. The Compensation Committee will review at least annually the Chief Executive Officer's performance in light of goals and objectives established by the Compensation Committee for such performance, including the relationship of such compensation to corporate performance, and in light of such review determine the Chief Executive Officer's compensation and incentive-compensation and equity-based plan awards. The Company's Chief Executive Officer may not be present during Compensation Committee deliberations or votes with respect to the Chief Executive Officer's compensation.

3. With respect to "Executive Officers" (as defined in Rule 3b-7 under the Exchange Act) and "Officers" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company, other than the Company's Chief Executive Officer (the "Other Executive Officers"), the Compensation Committee has authority to determine the amount and form of compensation paid to the Other Executive Officers, and to take such action, and to direct the Company to take such action, as is necessary and advisable to compensate the Other Executive Officers in a manner consistent with its determinations. The Compensation Committee will review at least annually the Other Executive Officers' performance in light of goals and objectives established by the Compensation Committee for such performance, including the relationship of such compensation to corporate performance, and in light of such review determine the Other Executive Officers' compensation and incentive-compensation and equity-based plan awards.

4. The Compensation Committee has authority to determine the amount and form of compensation paid to the Company's executive officers, officers, employees, consultants and advisors and to review the performance of such persons in order to determine appropriate compensation, as well as to establish the Company's general compensation policies and practices and to administer plans and arrangements established pursuant to such policies and practices. The Compensation Committee has authority to take such action, and to direct the Company to take such action, as is necessary and advisable to compensate such persons and to implement such policies and practices in a manner consistent with its determinations. It is expected that the Compensation Committee may delegate its authority on these matters with regard to non-officer employees and consultants of the Company to officers and other appropriate Company supervisory personnel.

5. The Compensation Committee will periodically review and make recommendations to the Board as to compensation for the independent directors of the Board.

6. The Compensation Committee has authority to administer the Company's equity compensation plans, including without limitation to approve the adoption of such plans, to reserve shares of Common Stock for issuance thereunder, to amend and interpret such plans and the awards and agreements issued pursuant thereto, and to make awards to eligible persons under the plans and determine the terms of such awards.

7. The Compensation Committee has authority to oversee the administration of other material employee benefit plans of the Company, including the Company's Section 401(k) plan.

8. The Compensation Committee has authority to select, engage, compensate and terminate compensation consultants, legal counsel and such other advisors as it deems necessary and advisable to assist the Compensation Committee in carrying out its responsibilities and functions as set forth herein. Compensation paid to such parties and related expenses will be borne by the Company and the Company will make appropriate funding available to the Compensation Committee for such purposes. The Compensation Committee also has the authority to approve the material terms of all arrangements between the Company and compensation consultants unless the Compensation Committee has retained its own consultant or the services relate only to consulting on broad-based plans.

9. Except with respect to the responsibilities set forth in paragraph 2 如上, the Compensation Committee may delegate its authority granted under this Charter to a subcommittee of the Compensation Committee (consisting either of a subset of members of the Compensation Committee or, after giving due consideration to whether the eligibility criteria described above with respect to Compensation Committee members and whether such other Board members satisfy such criteria, any members of the Board). In addition, to the extent permitted by applicable law, the Compensation Committee may delegate to one or more officers of the Company (or other appropriate supervisory personnel) the authority to grant stock options and other stock awards to employees (who are not executive officers or members of the Board) of the Company or of any subsidiary of the Company.

10. At any time during which the Company is subject to the periodic reporting requirements of the Exchange Act, the Compensation Committee shall review and discuss with management the Company's proposed disclosure under the "Compensation Discussion and Analysis" required by Regulation S-K under the Exchange Act and recommend to the Board whether such Compensation Discussion and Analysis should be included in the Company's proxy statement and Annual Report on Form 10-K, unless the Company is a "smaller reporting company" and elects to omit the disclosure.

11. The Compensation Committee has the authority to carry out any other duties and responsibilities assigned to it by the Board, to the extent permitted by law and the Company's charter documents.

12. The Compensation Committee has the authority to perform such other activities and functions as are required by law, applicable stock exchange rules or provisions in the Company's charter documents, or as are otherwise necessary and advisable, in its or the Board's discretion, to the efficient discharge of its duties hereunder.

Adopted on May 9, 2014

Meetings

The Compensation Committee shall meet as often as it determines necessary, but it is anticipated that the Compensation Committee shall meet at least two (2) times each year. The Compensation Committee Chair may call committee meetings and, in consultation with other Compensation Committee members, shall determine the frequency and length of committee meetings and shall set agendas for such meetings consistent with this Charter. In the absence of a Compensation Committee Chair, a majority of the members of the Compensation Committee may call a meeting of the Compensation Committee.

Minutes and Reports

The Compensation Committee shall make regular reports to the Board with respect to significant actions and determinations made by the Compensation Committee. The Compensation Committee shall maintain written minutes of its meetings and shall, to the extent deemed appropriate, record its summaries of recommendations to the Board in written form. The minutes and the recommendations, as applicable, shall be incorporated as part of the minutes of the Board. To the extent required by applicable law, the Compensation Committee will also prepare and sign a Report of the Compensation Committee for inclusion in the Company's proxy statement for its Annual Meeting of Stockholders.

Periodic Review

The Compensation Committee will periodically review its own performance and report on its conclusions in this regard to the Board. In addition, the Compensation Committee will periodically review this Charter and make recommendations to the Board with regard to appropriate changes to the Charter.

As adopted on May 9, 2014.

CURRENT DEFINITIONS OF KEY TERMS
(Provided for convenience only; not a part of the Charter)

(Last Updated in May 2014)

The following sets forth the current definitions of certain key terms used in the Charter as of the date referenced above, but are not part of the Charter and each of such terms, as used in the Charter, have the meanings given them in the applicable rules and regulations as the same may be amended from time to time.

1. **Independent Director.** The Compensation Committee must be comprised solely of “independent” directors as defined in NASDAQ Marketplace Rule 5605(a)(2). For purposes of this rule, “family member” means a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home. In addition, for purposes of this rule, “Company” includes any parent or subsidiary of the Company.

The following would not be independent under NASDAQ Marketplace Rule 5605(a)(2):

(a) An executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director;

(b) A director who is, or at any time during the past three years was, employed by the Company;

(c) A director who accepted or who has a family member who accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following: (i) compensation for board or board committee service; (ii) compensation paid to a family member who is an employee (other than an Executive Officer) of the Company; or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

(d) A director who is a family member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(e) A director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following: (i) payments arising solely from investments in the Company's securities; or (ii) payments under non-discretionary charitable contribution matching programs.

(f) A director of the Company who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity; and

(g) A director who is, or has a family member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

2. **Non-Employee Director.** Rule 16b-3(b)(3)(i) of the Securities Exchange Act of 1934 defines a Non-Employee Director as a director who:

(a) Is not currently an officer (as defined in Rule 16a-1(f)) of the issuer or a parent or subsidiary of the issuer, or otherwise currently employed by the issuer or a parent or subsidiary of the issuer;

(b) Does not receive compensation, either directly or indirectly, from the issuer or a parent or subsidiary of the issuer, for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Item 404(a) of Regulation S-K [i.e. US\$120,000]; and

(c) Does not possess an interest in any other transaction for which disclosure would be required pursuant to Item 404(a) of Regulation S-K [i.e., related party transactions with a dollar amount in excess of \$120,000].

3. **Outside Director.** Regulation 1.162-27(e)(3) promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended, defines an outside director as a director who:

(a) Is not a current employee of the publicly held corporation;

(b) Is not a former employee of the publicly held corporation who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year;

(c) Has not been an officer of the publicly held corporation; and

(d) Does not receive remuneration from the publicly held corporation, either directly or indirectly, in any capacity other than as a director. For this purpose, remuneration includes any payment in exchange for goods or services.