

ALLIANCE SEMICONDUCTOR

Charter for the Compensation Committee of the Board of Directors

Purpose

The purpose of the Compensation Committee (the “Committee”) established pursuant to this charter is to discharge the responsibilities of the Company’s Board of Directors (the “Board”) with respect to compensation matters for the Company’s executive officers and other officers, reporting annually to the Company’s stockholders on executive compensation matters, oversight of the Company’s equity and other compensation plans, and such other actions and matters as the Board may from time to time authorize the Committee to undertake or assume responsibility for.

Membership and Power to Act

The Compensation Committee will be comprised of at least two members of the Board of Directors. Such members will be elected by and serve at the discretion of the Board. Each Committee member will serve on the Committee during his or her respective term as a Board member, subject to earlier removal by a majority vote of the Board. Unless a chair is elected by the Board, the members of the Committee may designate a chair by vote of the Committee.

As long as the Company’s Common Stock remains publicly traded, each member of the Committee will be (1) “independent” as defined under applicable Nasdaq (or applicable stock exchange) rules (except as otherwise permitted under such rules), (2) a “non-employee director” under Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, and (ii) as an “outside director” under the rules promulgated under Section 162(m) of the Internal Revenue Code of 1986.

In the event that the Committee has more than two members and one or more members of the Committee are absent from a meeting of the Committee or being present at a meeting recuse themselves from an action taken, the remaining members of the Committee (provided there are at least two such members), acting unanimously, shall have the power to take any necessary action. No action of the Committee shall be valid unless taken pursuant to a resolution adopted and approved by at least two members of the Committee. No member of the Committee shall participate in any discussions or deliberations relating to such person’s own compensation or other matters in which such person has a material interest.

Except with respect to matters relating to compensation of the Company’s Chief Executive Officer, with respect to which the Board delegates to the Committee exclusive authority during such period of time that the Committee is empanelled with at least two qualifying members as required above, the Board simultaneously reserves to itself all authority delegated hereunder to the Committee. This reservation of authority does not in any way limit the Committee’s authority to act definitively on matters delegated to it hereunder.

Notwithstanding the above, the Board reserves the right at any time to revoke or change the authority delegated hereunder.

Meetings

The Committee will meet at such times as it deems appropriate to discharge its duties hereunder. The Committee may act by unanimous written consent of its members.

Responsibilities

The authority delegated to the Committee is set forth below. This description of authority is intended as a guide and the Committee may act and establish policies and procedures that are consistent with these guidelines 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 Committee hereunder.

1. The 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 CEO in a manner consistent with its determinations. The Committee will review at least annually the Chief Executive Officer's performance, including in light of goals and objectives established for such performance, and in light of such review determine his or her compensation.
2. The Committee has authority to determine the amount and form of compensation paid to the Company's executive officers and other officers 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 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.
3. The Committee has authority to administer the Company's equity compensation plans, including without limitation 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.
4. The Committee has authority to select, engage, compensate and terminate compensation consultants and such other advisors as it deems necessary and advisable to assist the 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 Committee for such purposes.
5. Except with respect to the responsibilities set forth in paragraph 1 above, the Committee may delegate its authority granted under this charter to a subcommittee of the Committee (consisting either of a subset of members of the Committee or, after giving due consideration to

whether the eligibility criteria described above with respect to Committee members and whether such other Board members satisfy such criteria, any members of the Board). The Board has delegated certain authority on these matters (specifically to make equity awards to non-officer employees and consultants of the Company, within certain limits) to a committee consisting of officers or other supervisory personnel of the Company. The Committee shares with the Board responsibility for oversight of this committee and may delegate further of the authority delegated to it hereunder to such committee.

6. The Committee will prepare an annual report to the Company's stockholders on executive compensation that will be included in the Company's proxy statement for its annual stockholders' meeting in accordance with the rules and regulations of the Securities and Exchange Commission.
7. The Committee will make regular reports to the Board.
8. The Committee will periodically review this charter and make recommendations to the Board with regard to appropriate changes to the charter.
9. The Committee will periodically review its own performance and report on its conclusions in this regard to the Board.
10. The Committee has the authority to perform such other activities and functions as are required by law, applicable Nasdaq (or 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.

Reports

The Committee will record its actions and determinations in written form. These records will be incorporated as a part of the minutes and actions of the Board.