

**CHARTER OF THE
COMPENSATION COMMITTEE OF
DIODES INCORPORATED
Amended and Restated as of February 21, 2013**

PURPOSE

The purpose of the Compensation Committee (the “Committee”) of Diodes Incorporated (the “Company”) is to help to ensure that the executive officers of the Company and its subsidiaries are compensated in a manner consistent with the compensation strategy of the Company determined by the Board of Directors (the “Board”), treatment of all executive officers in an equitable and consistent manner, the Company’s need to compete in recruiting and retaining qualified executive officers, and the requirements of the appropriate regulatory bodies. The Committee shall also communicate to the stockholders the compensation policies of the Company and the method for establishing the compensation for the Chief Executive Officer (“CEO”) and the other executive officers of the Company. To carry out this purpose, the Committee shall:

- Review and approve corporate goals and objectives relevant to the compensation of the executive officers.
- Evaluate the performance of the executive officers in light of those goals and objectives.
- Determine and approve the compensation level of the executive officers based on this evaluation.
- Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.

COMMITTEE MEMBERSHIP AND ORGANIZATION

The Committee shall be comprised of no fewer than three members. The members of the Committee shall be appointed and replaced by the Board. The Board shall appoint one of the members as Chair.

Each member of the Committee shall be “independent” as defined by the rules of the Nasdaq Stock Market (“Nasdaq”). In addition, each member shall be a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and shall satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment. A member of the Committee shall not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, except as expressly permitted by the rules of the Nasdaq Stock Market. In determining whether a director is eligible to serve on the Committee, the Board of Directors shall consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee.

This Committee shall communicate with and work closely with the Board. To foster such communication, the Chairman of the Board and the CEO of the Company may be invited to attend meetings on a non-voting basis, provided the CEO may not be present during voting or discussion of his or her compensation.

COMMITTEE RESPONSIBILITIES AND AUTHORITY

To carry out its purposes expressed above, the Committee shall have the following responsibilities and authority. Delegation by the Board of responsibilities to the Committee shall not preclude the Board from taking any action permitted to be taken under governing law, rules or regulations applicable to the Company.

- Review from time to time and approve the Company's compensation strategy to ensure that management is rewarded appropriately for its contributions to Company growth and profitability and that the executive compensation strategy supports Company objectives and stockholder interests.
- Determine all elements of compensation for the executive officers. The CEO may not be present during voting on or discussion of his or her compensation.
- Determine the long-term incentive component of compensation for the executive officers based on the considerations adopted by the Board.
- Annually review the performance of the CEO and the executive officers of the Company, and report on the Committee's review to the Board and the CEO.
- Produce the annual Compensation Committee Report to Stockholders on the factors and criteria on which the compensation for the CEO and other executive officers in the last year was based, to be included in the Company's proxy statement for its annual meeting or Annual Report on Form 10-K filed with the SEC.
- Develop the Company's incentive compensation strategy with respect to the total number of incentive awards to be granted, the relative participation of senior management and other employees, and the types of awards to be granted.
- Recommend and approve, subject to submission to stockholders when appropriate, all new equity-related incentive plans
- Determine eligibility for awards under the Company's incentive compensation plans and the terms under which awards are granted.
- Allocate awards under the Company's incentive compensation plans, provided that the Committee may delegate to the CEO or another executive officer the authority to allocate stock options among employees who are not executive officers, subject to applicable law and the limits and guidelines established by the Committee.
- Assure that the Company's executive incentive compensation program, including the annual and long-term incentive plans, is administered in a manner consistent with the Company's incentive compensation strategy.
- Approve annual retainer and meeting fees for directors and members of Board committees, including expense reimbursement limits and per diem allowances, and fix the terms and awards of stock compensation for members of the Board.
- Review with the CEO matters relating to management succession.
- Review the Company's employee benefit programs, including any 401(k) or pension plan, and approve changes subject, where appropriate, to stockholder or Board approval.

- Form and delegate authority to subcommittees, or delegate authority to members, when appropriate, provided that such subcommittees will be composed exclusively of members of this Committee and will operate pursuant to a written charter.
- Review and re-examine this Charter at least annually and make recommendations to the Board with respect to any proposed changes.
- Annually report to the full Board regarding its own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.
- Such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chairman, or as designated in compensation plan documents.

ADVISERS

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser (a “compensation adviser”).
- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation adviser retained by the Committee.
- The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation adviser retained by the Committee.
- The Committee may select, or receive advice from, a compensation adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:
 - (i) the provision of other services to the Company by the person that employs the compensation adviser;
 - (ii) the amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
 - (iii) the policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
 - (iv) any business or personal relationship of the compensation adviser with a member of the Committee;
 - (v) any stock of the Company owned by the compensation adviser; and
 - (vi) any business or personal relationship of the compensation adviser or the person employing the compensation adviser with an executive officer of the Company.
- Nothing in this Charter shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the compensation adviser to the Committee; (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties; (iii) to require a compensation adviser to be independent; or (iv) to require the Committee to conduct an independence assessment for a compensation adviser that acts in a role limited to the activities set forth in the rules of the Nasdaq Stock Market.

MEETING AND MINUTES

The Committee will meet at least twice annually and will also meet, as required, in response to the needs of the Board and as necessary to fulfill their responsibilities.

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.