

CHARTER
OF
THE COMPENSATION COMMITTEE
INVENSENSE, INC.

AUTHORITY AND PURPOSE

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of InvenSense, Inc. (the “Corporation”) to: (a) assist the Board in discharging its responsibilities relating to compensation of the Corporation’s directors and executive officers; and (b) to produce an annual report on executive compensation for inclusion in the Corporation’s proxy statement, in accordance with applicable rules and regulations. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board shall from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Corporation’s Third Amended and Restated Bylaws (the “Bylaws”) and by applicable law.

COMMITTEE MEMBERSHIP

Committee members shall be appointed by the Board, based on the recommendation of the Nominating Committee, and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Committee members may be removed at any time by vote of the Board.

The Committee will consist of no fewer than two members of the Board. Each member of the Committee shall meet the independence requirements for membership of a Compensation Committee in accordance with listing standards of the New York Stock Exchange and applicable rules of the Securities and Exchange Commission and Internal Revenue Service. References to the listing standards of the New York Stock Exchange shall mean the listing standards and listing requirements of such exchange and rules of the SEC applicable to companies listed on such exchange, in each case subject to any applicable exceptions.

Unless otherwise directed by the Board, each Member shall serve until such Member ceases to serve as a member of the Board, or until his or her successor has been duly appointed by the Board, or until his or her earlier resignation or removal. Members may be removed at any time by vote of the Board.

STRUCTURE AND MEETINGS

The Committee shall conduct its business in accordance with this Charter, the Bylaws and any direction by the Board. The Committee chairperson shall be designated by the Board, or, if it does not do so, the Members shall elect a chairperson by a vote of the majority of the full Committee.

The Committee shall meet from time to time at a time, place and manner determined by the Committee chairperson and in a manner consistent with, and as permitted for, meetings of the Board as prescribed in the Bylaws. A majority of the Committee shall constitute a quorum for the transaction of business.

The Committee chairperson will preside at each meeting and, in consultation with the other Members, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee (or other member designated by the chairperson or the Committee in the Chairperson's absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes. The CEO should not be present during voting or deliberations on the CEO's compensation.

DUTIES AND RESPONSIBILITIES

The duties of the Committee shall include, without limitation, the following:

- a. Annually review and approve the Corporation's corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of such goals and objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation, to the extent not otherwise determined by an existing employment agreement or arrangement approved by the Board and/or the Committee.
- b. Annually review and, if appropriate, approve (or make recommendations to the Board regarding approval of) the following with respect to the Corporation's executive officers: i) annual base salary levels; ii) annual incentive compensation levels; iii) long-term incentive compensation levels; and iv) any supplemental or special benefits.
- c. Review and approve (or make recommendations to the Board regarding approval of) executive officers employment agreements, severance agreements, and change of control agreements/provisions, in each case prior to the Corporation's entering into such agreements/provisions, as, when and if appropriate.
- d. Annually review and make recommendations to the Board with respect to non-executive officer compensation, incentive-compensation plans and equity based-plans.
- e. Administer the Corporation's incentive-compensation plans and equity based-plans as in effect and as adopted from time to time by the Board, to the extent such administration is not delegated, in whole or in part, to any other committee of the Board or otherwise retained by the Board.
- f. Approve any new equity compensation plan or any material change to an existing plan where stockholder approval has not been obtained.
- g. Review and approve any stock option award or any other type of award as may be

required for complying with any tax, securities, or other regulatory (including New York Stock Exchange) requirement, or otherwise determined to be appropriate or desirable by the Committee or Board, or establish procedures for the granting of any such options and awards in a manner consistent with the terms of the Corporation's plans and applicable law.

- h. Ensure appropriate overall corporate performance measures and goals are set and determine the extent that established goals have been achieved and any related compensation earned.
- i. Review and discuss with the Corporation's management the "Compensation Discussion and Analysis" required to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC, and recommend to the Board whether or not to include such "Compensation Discussion and Analysis" in such proxy statement or annual report.
- j. Perform such other functions and have such other powers consistent with this Charter, the Corporation's Bylaws and governing law as the Committee or the Board may deem appropriate.
- k. Produce a Committee report on executive compensation as required to be included in the Corporation's annual proxy statement, annual report on Form 10-K or other filing required to be made with the SEC.

PERFORMANCE EVALUATION

The Committee shall perform an annual evaluation of the Committee's own performance. The Committee also shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

COMMITTEE RESOURCES

The Committee shall be empowered, without the approval of the Board or management, to engage and compensate independent legal, accounting and other advisors ("Compensation Advisors"), as it determines necessary to carry out its duties. To the extent required by the rules of the New York Stock Exchange, unless the Corporation is otherwise exempt from such rules, the Committee shall have the sole authority to retain, obtain the advice of, and terminate any Compensation Advisor, shall be directly responsible for appointing, compensating and providing oversight of the work of the Compensation Advisors, and shall, prior to hiring each Compensation Advisor, consider all independence criteria for such Compensation Advisor, in accordance with applicable SEC rules and the rules of the New York Stock Exchange. Any such consultants shall report directly to the Committee. The Committee shall receive appropriate funding, as determined by the Committee, from the Corporation for payment of: a) compensation to any advisor employed by the Committee, including any Compensation Advisors; and b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. Compensation Advisor shall include any compensation advisor acting for

the Corporation or the Committee including any compensation firm, consulting firm or attorney acting in the capacity of a compensation advisor.

Prior to selecting and receiving advice from Compensation Advisors, the Committee must take into consideration the independence factors set forth in the applicable rules of the SEC and the listing standards of the New York Stock Exchange. The Committee may retain, or receive advice from, any Compensation Advisor it prefers, including advisors that are not independent, after considering the requisite independence factors. The Committee is not required to assess the independence of any Compensation Advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the Compensation Advisor, and about which the Compensation Advisor does not provide advice.