

MEMSIC, INC.

CODE OF CONDUCT

It is our Code to comply fully with all laws and to require all directors, officers and employees to avoid legal or unethical activities and conflicts of interest in connection with their responsibilities to MEMSIC, Inc.

The Company recognizes and respects each employee's right to privacy and interest in engaging in personal activities outside the scope of his or her employment with this Company. Each employee also has an obligation, however, to refrain from activities which conflict or interfere with the Company's operations or standing in the community.

The Company reserves the right to investigate and determine when an activity conflicts with the Company's interests and to take whatever action is necessary to resolve the conflict. If necessary, this action can include termination. This Code, and abiding by it, is a term and condition of employment or continued employment, and applies to all employees of the Company and its subsidiaries worldwide. The subjects of the general policies described in this Code are, in some cases, covered in more detail in a separate Code on such subject. [Copies of these policies are available under "Corporate Policies" on the opening page of the Company's Intranet.]

Conflicts of interest are not easy to define. In general, they represent situations in which the activities of a director, officer or employee could conflict with that person's responsibilities to the Company or to others with whom the Company does business. In many cases, it may be as important to avoid the appearance of a conflict as it is to avoid the conflict itself.

Listed below are some of the types of conduct which could violate this Code and certain procedures under this Code:

1. *Conflicts of Interest.* Employees, officers and directors must act in the best interests of the Company and should avoid any situation that might affect their independence of judgment with respect to any business dealings between the Company and any other organization or individual. Each employee, officer and director has a responsibility to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Company's Chief Executive Officer or, in the case of an executive officer or director, to the Board of Directors, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.

No employee or officer should establish or maintain any direct or indirect outside business or financial interest that would cause any types of conflict of interest. Consultants and representatives shall only be retained for proper commercial purposes and in accordance with Company Code. In addition, no employee may have any personal financial dealings with any

individual or business organization, other than a regulated financial institution, that furnishes merchandise, supplies, property or services to this Company. This includes arrangements to receive loans (other than bank loans), commissions, royalties, property interests or anything of value. No employee or officer should maintain an investment in any such business without the prior written approval of the Chief Executive Officer (or, in the case of an executive officer, the Board of Directors), other than owning less than 1% of the shares of a publicly traded corporation.

No director should perform services as a consultant, employee, officer, director, advisor or in any other capacity for a competitor of the Company or have a financial interest in a competitor of the Company, other than an investment representing less than 1% of the outstanding shares of a publicly-held company.

2. *Related Party Transactions.* Related party transactions are those in which the parties do not deal with one another at arm's length. They include, but are not limited to, any employee, officer or director of the Company who is in a position to influence a business transaction between the Company and: (1) an individual who is the employee, officer or director's spouse, child, sibling, parent, partner, present or former close business associate or friend; (2) an organization for which the employee, officer or director currently serves as an officer, director, trustee or partner, or for which he or she has served in such capacity during the preceding five years; or (3) an organization in which the employee, officer or director has a financial interest, other than an investment representing less than 1% of the outstanding shares of a publicly-held company or (4) any individual or organization with whom the employee, officer or director is negotiating, or with whom he or she has an arrangement, concerning prospective employment. The Company should not be involved in a significant related-party transaction. If any employee, officer or director believes that a significant related-party transaction exists or might occur, he or she must make full disclosure to the Chief Executive Officer. After such full disclosure, the existing or potential conflict will be reviewed, and a decision will be made about whether the related-party transaction is appropriate, and whether the Company should proceed with the transaction.

3. *Use of Company Funds; Sensitive Payments.* The use of Company funds for any unlawful or unethical purpose is strictly prohibited. Employees, officers and directors are prohibited from making, or causing others to make, any illegal payment to anyone within the United States or outside of the United States, including without limitation any official of any government, for the purpose of advancing, promoting or expediting Company interests. Such prohibited payments include money, favors, gifts, costly entertainment, or use of Company facilities. Similarly, all employees, officers and directors must be careful that any acts of hospitality toward public officials and Government employees avoid compromising the integrity or the reputation of the Company or the public official or Government employee. No payment on behalf of the Company will be made with any agreement or understanding (whether written or oral) that such payment is to be used for any purpose other than that described by the documentation supporting the transaction. Bribes and kickbacks are criminal acts, strictly prohibited by law. You must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

4. *Outside Employment.* No employee or officer of this Company shall accept or continue simultaneous employment or consulting arrangements with another firm when those arrangements create a conflict of interest. Such conflict would be most likely if the other firm is a competitor or supplier of this Company. A conflict might also arise if the hours or conditions of the other job interfere with the employee's performance for this Company. If any employee or officer believes that a conflict of this type exists or might occur, the employee must make full disclosure to the Chief Executive Officer. After such full disclosure, the existing or potential conflict will be reviewed, and a decision will be made about whether the arrangements are appropriate.

5. *Accepting Gifts and Entertainment.* No employee, officer or director shall accept gifts from any individual or business who does business, or seeks to do business with this Company, other than gifts whose value is not likely to influence a business decision. Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Employees, officers and directors should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals.

6. *Fair Competition.* Employees, officers and directors should endeavor to deal honestly, ethically and fairly with the Company's suppliers, customers, competitors and employees. Statements regarding the Company's products and services must not be untrue, misleading, deceptive or fraudulent. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practices. Under no circumstances may employees, officers and directors enter into arrangements with competitors which affect price or marketing policies.

7. *Legal Requirements.* No employee, officer or director should do anything in the conduct of business which would knowingly violate local, state or federal law. This includes antitrust laws, environmental laws (including laws concerning disposal of hazardous waste) and any federal, state or local regulations governing the conduct of Company business. Employees, officers and directors are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when they are uncertain about them.

8. *Proper Accounting.* The books of account, financial statements and records of the Company shall accurately and fairly reflect the underlying transactions engaged in by or on behalf of the Company and be maintained in reasonable detail to fairly reflect the disposition of assets, and must be maintained in accordance with the established financial and accounting policies issued by the Company. All assets and liabilities of the Company shall be properly recorded in the books of the Company and no undisclosed or unrecorded fund account or asset of the Company will be established or maintained for any purpose.

9. *Dealing with Independent Accountants.* No employee, officer or director shall make a false or misleading statement to the Company's independent accountants, nor shall any employee, officer or director conceal or fail to reveal any information necessary to make the statements made to such independent accountants not misleading.

10. *Political Activities.* Employees are encouraged to support political candidates of their choice. All such activity must be on the employee's own time, and there must be no use of Company funds, facilities or assets.

11. *Confidential Information.* Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Company or other companies, including our suppliers and customers, except when disclosure is (a) authorized by the terms of any applicable nondisclosure agreement, signed by an officer of the Company or (b) legally mandated. Unauthorized disclosure of any confidential information is prohibited. Additionally, employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or another company, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company. All information about the Company, its business, customers, and suppliers should be considered confidential unless the information is already publicly known. Confidential information is the sole and exclusive property of the Company. It includes, but is not limited to, confidential technology, proprietary information, trade secrets, business plans, documents and records. Proprietary information of customers, suppliers and others to which employees have access should be treated as confidential and should be used and disclosed only in accordance with prior authorization of the owner. Third parties may ask you for information concerning the Company. Employees, officers and directors (other than the Company's authorized spokespersons) must not discuss internal Company matters with, or disseminate internal Company information to, anyone outside the Company, except as required in the performance of their Company duties and after an appropriate confidentiality agreement is in place. This prohibition applies particularly to inquiries covering the Company from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to such inquiries from the media, market professionals and security holders on behalf of the Company must be made only by the Company's authorized spokespersons. If you receive any inquiries of this nature, you must decline to comment and refer the inquiries to your supervisor or one of the Company's authorized spokespersons. You also must abide by any lawful obligations that you have to your former employer. These obligations may include restrictions on the use and disclosure of confidential information, restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

12. *E-mail, Communications and Internet Use.* The Company provides employees with access to company telephones and computers, and to its voice-mail, e-mail, and other electronic communication or data storage systems, for their use in carrying out company business. These systems belong to the Company and are subject to inspections without notice when business needs require. All system passwords and encryption keys must be available to

management, and you may not use passwords that are unknown to your supervisor or install encryption programs without written permission. All e-mail messages, whether sent or received by you, and all Internet-accessed data are Company records. Therefore, you should not assume that any such material is confidential and you should understand that employee privacy does not extend to the use of Company provided systems including e-mail and Internet access. The Company reserves the right, acting through employees authorized by the Chief Executive Officer, to override the user's password when it has a business need to retrieve stored information and similarly reserves the right to audit all such computers and the right to monitor electronic mail without notice, and each employee consents to such activity by the Company. Employees are expected to conduct all communications, including e-mail in a professional, respectful, responsible and courteous manner. Employees are prohibited from participating in "message boards" or "chat rooms" about the Company.

13. *Computer Security; Software Code of Ethics.* All software and data resident on all computers provided by the Company are the sole and exclusive property of the Company. If any data is downloaded from bulletin boards or network services, it must be scanned by virus detection software immediately. Employees are prohibited from using Peer-to-Peer (P2P) file sharing applications on any computer, or any network services, provided by the Company. Employees should only copy Company owned or licensed software (including software externally purchased or internally developed) for authorized business purposes and in accordance with the applicable licensing agreement, as unauthorized copying of such software may be illegal and could result in fines and penalties to the Company and/or employees. Employees should protect any Company owned or provided personal computers to ensure that its data, software, and hardware are not misused. Certain of these systems provide for the user to enter an identification code and password before access is granted. Each employee must protect their password(s) from disclosure. Unauthorized duplication of copyrighted computer software violates the law and is contrary to the Company's standards of conduct. The Company disapproves of such copying and recognizes the following principles as a basis for preventing its occurrences:

- the Company will neither engage in nor tolerate the making or using of unauthorized software copies under any circumstances;
- the Company will provide legally acquired software to meet the legitimate software needs in a timely fashion and in sufficient quantities for all our computers;
- the Company will comply with all license or purchase terms regulating the use of any software we acquire or use; and
- the Company will enforce strong internal controls to prevent the making or using of unauthorized software copies, including effective measures to verify compliance with these standards and appropriate disciplinary measures for violation of these standards.

14. *Waivers of this Business Conduct Code.* While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be possible. Any employee or officer who believes that an exception to any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that any exception is appropriate, the approval of the Audit Committee must be obtained. The Audit Committee shall be responsible for maintaining a record of all requests for exceptions to any of these policies and the disposition of such requests.

Any officer or director who seeks an exception to any of these policies should contact the Chairman of the Audit Committee. Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be made only by the full Board of Directors of the Company and will be disclosed as required by law or stock market regulation.

15. *Violence.* No employee shall bring weapons onto the Company's premises, or engage in violent or threatening action or language on the premises or on the job.

16. *False Claims.* No employee shall make false claims, including fraudulent workers compensation claims.

17. *Public Disclosures.* It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications.

18. *Compliance.* The Chief Executive Officer is responsible to the Board of Directors for monitoring compliance with this Code. However, it is the personal responsibility of each employee of the Company to observe and strictly abide by this Code. All employees are requested to report promptly to the Chairman of the Audit Committee any circumstance which involves or may appear to involve deviation from this Code. Suspected violations may be reported on a confidential basis, and the Company will maintain confidentiality to the fullest extent possible in accordance with law. Suspected violations may also be reported on an anonymous basis (voice mail is available for after-hours messages). The Company will not retaliate against or impose any other form of retribution on any employee as a result of his/her good faith reporting of any other person's suspected violation of this Code. The procedures outlined above to implement this Code should be followed *before* any employee reports perceived violations outside the Company, in order to provide the Company an opportunity to assess whether a violation has occurred and to take immediate remedial action. However, while it is the Company's desire to address matters internally, nothing in this Code is intended to discourage you from reporting any illegal activity to the appropriate regulatory authority or to be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation. If the Company receives information regarding an alleged violation of this Code, the Company shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive

Officer and Board of Directors of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the Chief Executive Officer for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors or a committee thereof. Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any person who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

19. *Disciplinary Action.* Any person involved in a violation of this Code will be subject to disciplinary action, which may include warning, reprimand, probation, suspension, reduction in salary, demotion or dismissal. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary actions, up to and including discharge. Violations will be dealt with as promptly as possible.

20. *Acknowledgment and Annual Representation; Amendments.* Every employee, officer and director will receive and be asked to read a copy of this Code. Annually, all officers and direct reports to the Chief Executive Officer will be requested to furnish a letter of representation of their compliance with this Code, substantially in the form attached to this Code as Exhibit B. The Company reserves the right to amend, alter or terminate this Code at any time for any reason. [The most current version of this Code can be found in "Corporate Policies" under the tab "Corporate" on the opening page of the Company's Intranet.]

21. *Not an Employment Contract.* This Code is not intended and should not be construed as a contract for continued employment between the Company and any of its employees, officers or directors and does not alter the at-will employment status of any employee.

22. *Complaints; Audit Committee.* The Company's Audit Committee has established the following procedures for complaints or concerns regarding financial matters.

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to

the Chairman of the Audit Committee of the Company's Board of Directors at his e-mail or regular mail address set forth on Exhibit A to this Code. A complete record of all complaints and concerns will be retained by the Audit Committee for at least five (5) years following receipt.

The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

The Company will not discipline, discriminate against or retaliate against any employee who reports a complaint or concern (unless the employee is found to have knowingly and willfully made a false report).

August 29, 2007

MEMSIC, INC.

Chairman of the Audit Committee of the Board of Directors

Name: _____

E-Mail Address: _____

Mailing Address: _____

TO: Yang Zhao, Chief Executive Officer and President

DATE:

RE: Annual Representation with Respect to Compliance with MEMSIC, Inc.
Code of Conduct

This letter of representation is furnished at your request in connection with the annual review of compliance with the Company's written Code of Conduct ("the Code") relating to compliance with laws and conflicts of interest.

I have read the Code and I understand my responsibility for compliance with the Code within my scope of responsibilities. I have reviewed the Code with (insert names of direct reports and any others in your organization with whom you have reviewed the Code) who are subordinate to me, and I have examined such records and have made such inquiries as I believe are reasonable and necessary for the purpose of this letter of representation.

To the best of my knowledge and belief, the activities and operations within the scope of my responsibilities have been conducted in compliance with the Code for the period from _____ through _____, except as previously reported by me to you. Furthermore, I have no knowledge of any violations of the Code during that period in any of the Company's operations.

Signature

Name and Title