

Himax Technologies, Inc.

Policy and Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing or Fraud Matters

As of January 26, 2007

Policy. The Audit Committee (“Audit Committee”) of Himax Technologies, Inc. (“Company”) seeks to establish and maintain a complaint program to facilitate:

- (1) the receipt, retention, and treatment of complaints received by the Company (hereinafter including its subsidiaries) regarding its accounting, internal accounting controls, auditing or fraud matters (“Complaints”), and
- (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting auditing or fraud matters.

Appointment of Administrator. The Audit Committee has appointed Audit Office (“Administrator”) to assist it in carrying out the complaint program.

Submission of Complaints. This channel is established for the purpose of receiving the complaints or concerns relating to accounting, internal accounting controls, auditing or fraud matters. and the complaints could be submitted using the following methods:

- By e-mail to: audit.complaints@himax.com.tw
- By mail to:

Himax Technologies, Inc.
Attn: Audit Office
No.26,Zih Lian Road, Tree Valley Park,
Sinshin, Tainan County 74445, Taiwan

Scheme of Fraud: There are four types of fraud schemes:

- Fraudulent Financial Reporting, ex. early recognition of revenue, overstatement of assets, understatement of liabilities, and inappropriate preparation process of financial report.

- Assets Misappropriations, ex. cash skimming, fraudulent expenditure, and theft of inventory.
- Override by Management, ex. inside trading, fraudulent travel expense and abuse.
- IT Fraud: ex. unauthorized access to SAP.

Receipt and Record of Complaints.

- The e-mail address, audit.complaints@himax.com.tw, shall be checked by the Administrator regularly, at least, on a daily basis.
- The Administrator shall open all mail addressed to him or her regularly, at least, on a daily basis.
- All complaints that do not relate to accounting, internal accounting controls, auditing or fraud matters shall be forwarded to the Human Resource Department or related responsible department for a further action or follow-up. .
- All Complaints received shall be recorded in a log (“Log”), identifying (i) the time the Complaint is received, (ii) the subject matter of the Complaint, (iii) the status of the Complaint (i.e. whether it is referred to the Audit Committee), (iv) what procedures are taken to investigate or address the Complaint, if any, (v) the findings/results of the investigation of the Complaint, if any, and (vi) the responding action taken to remediate. The Log shall be kept in a safe and secured location and should only be accessible by the Administrator and the Audit Committee.

Retention of Complaints. The Administrator shall retain all Complaints received for a period of at least five (5) years. Complaints received by email shall be saved in folders organized by month or quarter, as appropriate.

Matters that Require Immediate Referral to the Audit Committee.

Complaints relating to the following matters (“Urgent Matters”) shall be referred by the Administrator immediately to the Audit Committee:

- (i) involves, or could reasonably be expected to involve, fraud or other form of illegal activity that is significant and may impact the Company’s ability to conduct its business;
- (ii) involves, or could reasonably be expected to involve, a serious or pervasive control weakness or process deficiency;

- (iii) could reasonably be expected to result in significant damage to the Company's reputation if the instance becomes publicly known;
- (iv) could reasonably be expected to impair the Company's ability to conduct business with significant customers if made public;
- (v) involves a material misstatement of the Company's publicly reported financial condition, results of operations or cash flows or could reasonably be expected to require or result in a restatement of the Company's publicly reported financial condition, results of operations or cash flows, or
- (vi) others that the Administrator considers as appropriate.

Communications with Audit Committee. If the Administrator is uncertain whether a Complaint relates to an Urgent Matter, or is unsure about how to proceed with a Complaint, the Administrator shall contact the Audit Committee as soon as possible.

The Administrator shall submit a copy of the Log to the Audit Committee at least, on a quarterly basis. The Administrator shall have regular discussions with the Audit Committee regarding the details contained in the Log.

Investigation. The Administrator should adopt appropriate process to investigate the reported Complaints and report such findings to the Audit Committee. During the process, the Administrator may seek for the assistance from internal or external professional parties, which is independent from the reported Complaints, to ensure the competency of investigating team is qualified. The Administrator shall not make public that any inquiries it is making are related to a Complaint, but shall pose general questions to further investigate the issue.

Confidentiality. Complaints by employees or stakeholders could be submitted on a confidential and anonymous basis. None of the Company, the Board of Directors of the Company, the Audit Committee, or any employee of the Company, including the Administrator, shall attempt to identify the source of any Complaints submitted anonymously, and the confidentiality of any Complaints submitted on a confidential basis will be maintained, unless otherwise required by applicable law. If an employee submitting a Complaint identifies himself or herself to the Company, the Company, including the Administrator, will not disclose such employee's identity within the Company or outside the Company without the employee's prior consent, except as required by applicable law. Notwithstanding an employee's request to submit a Complaint confidentially and anonymously, information contained in any Complaint submitted by an employee may be summarized, abstracted and aggregated in a manner that does not disclose

the employee's identity by the Company for purposes of analysis, investigation, resolution and reporting. The Administrator shall not include an employee's identity in the Log.

Retaliations. The Company will not discipline, discriminate against, or retaliate against any person who submits a Complaint in good faith and any form of retaliation is prohibited. Any such retaliation from the employees or stakeholders would be deemed as a violation of the Company's Code of Business Conduct and Ethics.

No Delegation. The Administrator may not delegate his or her responsibilities and obligations under these guidelines to other individuals or seek the assistance of other employees of the Company to carry out his or her duties without the consent of the Audit Committee.

Authority. These procedures have been established by the Audit Committee pursuant to Rule 10A-3 of the Securities Exchange Act of 1934.

Administration. The Audit Committee has responsibility for administration of these procedures. The Audit Committee will review these procedures annually and make modifications as required or appropriate.