

HIMAX TECHNOLOGIES, INC.

an exempted company incorporated in the Cayman Islands with limited liability
("Company")

Audit Committee Charter

Adopted December 27, 2005

Purpose

The Audit Committee is created by the Board of Directors of the Company to assist the Board in its oversight of:

- the integrity of the financial statements of the Company;
- the qualifications, independence and performance of the Company's independent auditor; and
- compliance by the Company with legal and regulatory requirements.

Membership

The Audit Committee shall consist of at least two members and comprised solely of independent directors meeting the independence and experience requirements of Nasdaq. The Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Audit Committee annually and as vacancies or newly created positions occur. Audit Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Audit Committee.

Voting

Each member shall have one vote.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Audit Committee is responsible for the following matters.

Independent Auditor

- In each case the Company seeks to engage an accounting firm for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, the Audit Committee shall assess the qualifications of accounting firms and make recommendations of accounting firms for appointment by the Board. The Audit Committee shall be directly responsible for the

compensation and oversight of the work of any such accounting firm and shall make recommendations to the Board regarding the continued retention or replacement of any such accounting firm, as it deems appropriate. Each such accounting firm shall report directly to the Audit Committee.

- The Audit Committee shall pre-approve the audit services and non-audit services to be provided by the Company's independent auditor pursuant to pre-approval policies and procedures established by the Audit Committee. The Audit Committee may delegate its authority to pre-approve services to one or more Audit Committee members, provided that such designees present any such approvals to the full Audit Committee at the next Audit Committee meeting.
- The Audit Committee shall review and approve the scope and staffing of the independent auditor's annual audit plan(s).
- The Audit Committee shall evaluate the independent auditor's qualifications, performance and independence, and shall present its conclusions with respect to the independent auditor to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Audit Committee shall:
 - obtain and review a report or reports from the Company's independent auditor:
 - describing all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard No. 1; and
 - assuring that Section 10A of the Securities Exchange Act of 1934 has not been implicated.

Financial Statements; Disclosure and Other Risk Management and Compliance Matters

- The Audit Committee shall meet to review and discuss with management and the independent auditor, in separate meetings if the Audit Committee deems it necessary the annual audited financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Company's Form 20-F;
- As appropriate, the Audit Committee shall review with management, the internal auditors and the independent auditor, in separate meetings if the Audit Committee deems it necessary:
 - all critical accounting policies and practices of the Company;
 - related-party transactions; and

- any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles.
- The Audit Committee shall, in conjunction with the CEO and CFO of the Company, review the Company's disclosure controls and procedures and internal control over financial reporting. The review of internal control over financial reporting shall include whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control over financial reporting.
- In connection with its oversight responsibilities, the Audit Committee shall be directly responsible for the resolution of disagreements between management and any auditor regarding the Company's financial reporting.
- The Audit Committee shall establish procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Audit Committee shall review any complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

Reporting to the Board

The Audit Committee shall report to the Board periodically, as it deems appropriate. This report shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the independence and performance of the Company's independent auditor, the performance of the internal audit function and any other matters that the Audit Committee deems appropriate or is requested to be included by the Board.

Authority

The Audit Committee is authorized (without seeking Board approval) to retain special legal, accounting or other advisors and may request any officer or employee of the Company or the Company's outside counsel or independent auditor to meet with any

members of, or advisors to, the Audit Committee.

The Audit Committee shall have available appropriate funding from the Company as determined by the Audit Committee for payment of:

- compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- compensation to any advisers employed by the Audit Committee; and
- ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee may delegate its authority to subcommittees or the Chairman of the Audit Committee when it deems appropriate and in the best interests of the Company.

Procedures

The Audit Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter, but not less frequently than quarterly. The Chairman of the Audit Committee, in consultation with the other committee members, shall determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this charter.

Annual Evaluation

The Audit Committee shall perform a review and evaluation, at least annually, or as often as it determines as appropriate, of the performance of the Audit Committee and its members, including by reviewing the compliance of the Audit Committee with this Charter. In addition, the Audit Committee shall review and reassess, at least annually, or as often as it determines as appropriate, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Audit Committee considers necessary or valuable. The Audit Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Limitations Inherent in the Audit Committee's Role

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP and applicable rules and regulations. This is the responsibility of management and the independent auditor. Furthermore, while the Audit Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the CEO and senior management to determine the appropriate level of the Company's exposure to risk.