

## **Audit Committee Charter**

**1. Members.** The Board of Directors (the “Board”) of ATC Technology Corporation (the “Company”) appoints an Audit Committee (the “Committee”) of at least three members, consisting entirely of “independent directors” of the Board, and designates one member as chairperson or delegates the authority to designate a chairperson of the Committee. Members of the Committee shall be appointed by the Board, and if required by the rules of The NASDAQ Stock Market, Inc. (“Nasdaq”), then such appointment shall be made upon the recommendation of the Nominating Committee of the Board. For purposes hereof, the term “independent director” shall mean a director who meets the independence requirements of Nasdaq, as determined by the Board. In addition, no Committee member may have participated in the preparation of the financial statements of the Company or any of the Company’s current subsidiaries at any time during the past three years.

Each member of the Audit Committee must be financially literate, as determined by the Board, and at least one member of the Audit Committee must be an “audit committee financial expert”, as determined by the Board.

- 2. Purposes, Duties and Responsibilities.** The purposes of the Committee, at a minimum shall be to :
- represent and assist the Board in discharging its oversight responsibility relating to: (i) the accounting and financial reporting processes of the Company and its subsidiaries, and the audits of the Company’s financial statements, including the integrity of the Company’s financial statements; (ii) the surveillance of administration and financial controls and the Company’s compliance with legal and regulatory requirements; (iii) the outside auditor’s qualifications and independence; and (iv) the performance of the Company’s internal audit function and the Company’s outside auditor; and
  - prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

Among its specific duties and responsibilities, the Committee shall:

- (i) Be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation and retention of, and oversight of the work of, the outside auditor. In this regard, the Committee shall appoint and retain, compensate, evaluate and terminate when appropriate, the outside auditor, which shall report directly to the Committee.
- (ii) Obtain and review, at least annually, a report by the outside auditor describing: (A) the outside auditor’s quality-control procedures; and (B) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by government or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the outside auditor, and any steps taken to deal with any such issues.
- (iii) Approve in advance all audit and permissible non-audit services to be provided by the outside auditor and establish policies and procedures for the pre-approval of audit and

permissible non-audit services to be provided by the outside auditor. (By approving the audit engagement, an audit service within the scope of the engagement shall be deemed to have been pre-approved.)

- (iv) Consider, at least annually, the independence of the outside auditor, including whether the outside auditor's performance of permissible non-audit services is compatible with the auditor's independence, and obtain and review a report by the outside auditor describing any relationships between the outside auditor and the Company or any other relationships that may adversely affect the independence of the auditor.
- (v) Review and discuss with the outside auditor: (A) the scope of the audit, the results of the annual audit examination by the auditor, and any problems or difficulties the auditor encountered in the course of their audit work, including any restrictions on the scope of its audit work and management's response; and (B) any reports of the outside auditor with respect to interim periods.
- (vi) Review and discuss with management and the outside auditor the annual audited and quarterly financial statements of the Company, including: (A) an analysis of the auditor's judgment as to the quality of the Company's accounting principles, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; (B) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," including accounting policies that may be regarded as critical; and (C) major issues regarding the Company's accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and financial statement presentations.
- (vii) Recommend to the Board based on the review and discussion described in paragraphs (iv)-(vi) above, whether the financial statements in the form reviewed should be included in the Annual Report on Form 10-K.
- (viii) Receive reports from the outside auditor and management regarding the Company's internal controls (including any material weakness or significant deficiencies in internal controls and significant changes in internal controls reported to the Audit Committee by the outside auditor or management) and review and discuss the adequacy and effectiveness of the internal controls.
- (ix) Review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures and management reports thereon.
- (x) Review and discuss with the principal internal auditor of the Company the scope and results of the internal audit program.
- (xi) Review and approve all related party transactions (as defined in applicable Nasdaq listing standards.)

- (xii) Review and discuss earnings press releases, and corporate practices with respect to earnings press releases and financial information and earnings guidance.
- (xiii) Establish and oversee procedure for handling complaints regarding accounting, internal reporting controls and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.
- (xiv) Establish policies for the hiring of employees and former employees of the outside auditor in accordance with applicable laws and regulations.
- (xv) Annually evaluate the performance of the Audit Committee and assess the adequacy of the Audit Committee charter.

**3. Outside Auditors.** The Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist the Committee in the performance of its functions and shall receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors.

**4. Meetings.** The Committee shall meet at least four times a year, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall meet separately in executive session, periodically, with each of management, the principal internal auditor of the Company and the outside auditor. The Committee shall report regularly to the full Board with respect to its activities. The majority of the members of the Committee shall constitute a quorum.