



**CHARTER OF THE  
AUDIT COMMITTEE OF  
DIODES INCORPORATED  
(Amended and Restated as of February 21, 2017)**

**PURPOSE**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Diodes Incorporated (the “Company”) is to assist the Board in monitoring:

- the integrity of the financial statements of the Company;
- the compliance by the Company with legal and regulatory requirements;
- financial risk oversight;
- the independence and performance of the Company’s internal and external auditors; and
- the Company’s internal controls and procedures over financial reporting.

**COMMITTEE MEMBERSHIP AND ORGANIZATION**

The Committee shall be comprised of no fewer than three members of the Board. The members of the Committee shall be appointed by the Board and may be removed by the Board with or without cause at any time.

Each member of the Committee shall meet the independence and audit committee requirements of the Nasdaq Stock Exchange and the Securities and Exchange Commission. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment.

The Board shall appoint one of the members as Chair. The Chair will chair all regular sessions of the Committee and set the agendas for Committee meetings.

**COMMITTEE RESPONSIBILITIES AND AUTHORITY**

The following functions shall be the common recurring activities of the Committee in carrying out its purposes outlined above. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. Delegation by the Board of responsibilities to the Committee shall not preclude the Board from taking any action permitted to be taken under governing law, rules or regulations applicable to the Company.

1. Retain special legal, accounting or other consultants to advise the Committee.
2. Request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Make regular reports to the Board.



4. Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
5. Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements.
6. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
7. Review with management and the independent auditor the Company's annual and quarterly financial statements prior to the filing of its Form 10-K and 10-Q.
8. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
9. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
10. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Committee and the Board.
11. Have the authority and responsibility for the appointment, compensation, retention, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditors regarding financial reporting.
12. Pre-approve all audit and permitted non-audit services to be performed by the independent auditors.
13. Receive periodic reports from the independent auditor regarding the auditor's independence consistent with Public Company Accounting Oversight Board ("PCAOB") Rule 3526 (Communication with Audit Committees Concerning Independence), discuss such reports with the auditor, and if so determined by the Committee, take or recommend that the Board take appropriate action to oversee the independence of the auditor.
14. Evaluate the performance of the independent auditor and, if so determined by the Committee, recommend that the Board replace the independent auditor.
15. Appoint and replace the senior internal auditing executive.
16. Review any significant reports to management prepared by the internal auditing department and management's responses.
17. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit.



18. Confirm with the independent auditor that based on the independent auditor's audit, the independent auditor is not aware of any Company violation of Section 10A of the Securities Exchange Act of 1934 (detecting illegal acts, identifying material related party transactions, and evaluating the issuer's ability to continue as a going concern).
19. Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's code of conduct.
20. Discuss with the independent auditor the matters required to be discussed by PCAOB Auditing Standard 1301 and the requirement of Section 204 of Sarbanes-Oxley Act of 2002 relating to the conduct of the audit before the issuance of the audit report by the independent auditor.
21. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
  - (i) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
  - (ii) Any changes required in the planned scope of the audit.
  - (iii) The responsibilities, budget and staffing of the internal audit department, if any.
22. Supervise preparation of the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
23. Advise the Board from time to time with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's code of conduct.
24. Meet with the Company's legal counsel to review legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
25. Meet at least annually with the Chief Financial Officer, the senior internal auditing executive and the independent auditor in separate executive sessions.
26. Conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis, all in accordance with such procedures as the Committee may adopt from time to time.
27. Establish procedures, under confidential and anonymous submission, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting control or auditing matters.



28. Conduct an annual self-evaluation of the Committee's performance and report the results of such evaluation to the Board.
29. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chairman of the Board.
30. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor.

## **MEETINGS AND MINUTES**

The Committee shall meet at least quarterly and will also meet as required in response to the needs of the Board and as necessary to fulfill its responsibilities.

The Chair of the Committee or any member of the Committee may call a meeting of the Committee. A majority of the members of the Committee shall constitute a quorum, and the vote of a majority shall constitute the act or decision of the Committee.

All directors who are not members of the Committee may attend meetings of the Committee but may not vote on any matter presented to the Committee. Additionally, the Committee may invite to its meetings any director, any member of the management of the Company or such other persons as it deems appropriate in order to carry out its responsibilities. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate in its sole discretion.

The Committee will report to the Board after each Committee meeting a summary of the proceedings of the meeting and recommend to the Board any necessary action. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.