

**Amtech Systems, Inc.**  
**Audit Committee Charter**

I. **The Committee's Purpose.** The Audit Committee (the "Committee") is appointed by the Board of Directors for the primary purposes of:

A. Assisting the Board in its oversight of the:

1. Quality and integrity of the Company's financial statements.
2. Company's compliance with legal and regulatory requirements.
3. Company's overall risk management profile.
4. Independent auditor's qualifications and independence.
5. Performance of the Company's independent auditors.

B. Preparing the annual Audit Committee Report to be included in the Company's proxy statement.

II. **The Committee's Duties and Responsibilities.** Company management is responsible for preparing financial statements; the Committee's primary responsibility is oversight. To carry out this responsibility, the Committee will undertake the following activities:

**A. General**

1. To develop and maintain free and open means of communication with the Board, the Company's independent auditors and the financial and general management of the Company.
2. To perform any other activities as the Committee deems appropriate, or as are requested by the Board, consistent with this charter, the Company's bylaws and applicable law.
3. To maintain and update, as appropriate, this charter, which will be published on the Company's website and disclosed in the Company's proxy at least once every three years as required by the SEC's proxy rules.
4. To review with the Board any significant issues that arise with respect to the items listed in I.A.1 through I.A.5 above.

**B. The Company's Financial Statements and Published Information**

1. At least annually, to review:
  - a) Major issues regarding accounting principles and financial statement presentations including any significant changes in the Company's selection or application of accounting principles, as well as the clarity

and completeness of the Company's financial statements and items that impact the representational faithfulness, verifiability, and neutrality of accounting information.

- b) Analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of the application of alternative GAAP methods on the financial statements.
  - c) The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
2. To discuss the annual audited financial statements and quarterly financial statements (including matters outlined in SAS No. 61, "Communications with Audit Committees") with Company management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's SEC filings.
  3. To discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies. These discussions need not occur in advance of each release or each provision of guidance.

### **C. Performance and Independence of the Company's Independent Auditors**

1. At least annually, to obtain and review a written report by the independent auditors describing:
  - a) The independent auditing firm's internal quality control procedures.
  - b) Any material issues raised by the most recent internal quality control review, or peer review, of the independent auditing firm.
  - c) Any material issues raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditing firm.
  - d) Any steps taken to deal with any issues raised in such internal quality control reviews, peer reviews, or governmental or professional authority inquiries or investigations.
  - e) All relationships between the independent auditor and the Company.
2. To annually evaluate the independent auditor's qualifications, performance, and independence, including a review and evaluation of the lead partner, taking into account the opinions of Company management, and to report its

conclusions to the Board.

3. To assure regular rotation of the lead audit partner, as required by law.
4. To periodically meet with the independent auditors without Company personnel present.
5. To set clear hiring policies for employees or former employees of the independent auditors.

#### **D. The Review of Services and Audit by Independent Auditor**

1. To appoint, retain, compensate, evaluate, and terminate the Company's independent auditors, with sole authority to approve all audit engagement fees and terms, as well as all non-audit engagements with the independent auditors (these responsibilities may not be delegated to Company management).
2. At least annually, to pre-approve all audit and non-audit services to be provided to the Company by its independent auditors (this responsibility may not be delegated to Company management and, to the extent that this responsibility is delegated to one or more members of the Committee, such member(s) must report such pre-approvals at the next scheduled meeting of the Committee).
3. To ensure that the Company's independent auditors do not perform any non-audit services that are prohibited by law or regulation.
4. To review the scope of the annual audit to be performed by the Company's independent auditors.
5. To review with the independent auditor any audit problems or difficulties encountered in the course of the audit work, and Company management's responses thereto.
6. To review the audit report and recommendations submitted by the Company's independent auditors.
7. To review the report required by Section 10A(k) of the Securities Exchange Act of 1934 from the independent auditor concerning:
  - a) Critical accounting policies and practices to be used in the audit.
  - b) Alternative treatments of financial information within GAAP that have been discussed with Company management, ramifications of the use of such alternative disclosure and treatments, and the treatment preferred by the independent auditor.

- c) Other material written communications between the independent auditor and Company management, such as any management letter or schedule of unadjusted differences.

#### **E. Controls within the Company**

1. To periodically meet separately with Company management, including senior finance and accounting management.
2. To annually review major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
3. To review the results of the Company's annual assessment relating to compliance with the Company's Code of Ethics.
4. To receive quarterly a report from the Company's Chief Executive Officer and Chief Financial Officer describing:
  - a) All significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data.
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
5. To establish procedures for the:
  - a) Receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
  - b) Confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### **F. Review of Risk Management**

1. To discuss:
  - a) Guidelines and policies to govern risk assessment and risk management.
  - b) The Company's major risk exposures and the steps Company management has taken to monitor and control such exposures.
  - c) To review the status of corporate security, the security for the Company's electronic data processing information systems and the general security of the Company's people, assets and information systems.
  - d) To review the status of the Company's financial instruments.

- e) To receive annual and as required reports from the Company's legal counsel regarding legal, regulatory and intellectual property issues.

- G. **Authority to Retain Experts.** The Committee has the authority to select, retain, direct, and, if appropriate, terminate such experts as it deems necessary in the performance of its duties.
- H. **Annual Performance Evaluation of the Committee.** At least annually, the Committee will evaluate how well it has fulfilled its purpose during the previous year, and will report its findings to the full Board.
- I. **Audit Committee Financial Expert.** At least one member of the Committee must have accounting or related financial management expertise as determined by the Board in accordance with applicable stock exchange listing standards. At least one member of the Committee must be an "audit committee financial expert" as defined by the Securities and Exchange Commission. The person with accounting or related financial management expertise and the "audit committee financial expert" can be one and the same.
- J. **Membership Requirements.** The Committee shall be comprised of three or more directors as determined by the Board, each of whom: (1) meets NASDAQ's definition of independence; (2) meets the requirements regarding compensation and affiliation contained in SEC Rule 10A-3(b)(1), as amended, and are free from any relationship that in the opinion of the Board would interfere with the exercise of his independent judgment as a member of the Committee; (3) has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; (4) is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement, as required by NASDAQ's Marketplace Rule 4350(d)(2). In addition, at least one member of the Committee will have past employment experience in finance or accounting, requisite professional certification in accounting or any comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless the Board elects a Chairman, the Committee members may designate a Chairman by majority vote of the Committee.