



CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

This Charter of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Maxeon Solar Technologies, Ltd., a Singapore public company limited by shares (the “Company”), was adopted by the Board on August 26, 2020 and revised with effect as of January 28, 2021.

I. PURPOSE

The purpose of the Committee shall be to:

- A. provide oversight of the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements and internal controls by the Company’s independent public registered accounting firm (“independent auditor”);
- B. assist the Board in the oversight of: (i) the integrity of the Company’s financial statements; (ii) the Company’s compliance with legal and regulatory requirements; (iii) the independent auditor’s performance, qualifications and independence; and (iv) the performance of the Company’s internal audit function;
- C. oversee management’s identification, evaluation and mitigation of major risks to the Company;
- D. provide to the Board such information and materials as it may deem necessary to make the Board aware of the financial matters requiring the attention of the Board;
- E. consider questions of actual and potential conflicts of interest, including related party transactions and corporate opportunities as well as any waiver of the Company’s Code of Business Conduct and Ethics; and
- F. if the Company no longer qualifies for the “Foreign Private Issuer” exemptions provided under the listing rules of The NASDAQ Stock Market LLC (“NASDAQ” and such listing rules, the “NASDAQ Rules”) or if otherwise required by the applicable rules and regulations of NASDAQ, the Securities and Exchange Commission (the “SEC”) and other regulatory bodies, prepare an audit committee report to be included in the Company’s annual proxy statement.

In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

II. STRUCTURE AND OPERATIONS

A. Composition and Qualifications

The Committee will consist of at least three members of the Board.

Members of the Committee must meet the following criteria (as well as applicable criteria required by the SEC or Nasdaq and rules adopted by the SEC (the “SEC Rules”) or Nasdaq (the “Nasdaq Listing Rules”)):

1. each member must be determined by the Board to be independent and to satisfy the applicable requirements for independence set out in Rule 10A-3(b)(1) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) and the Nasdaq Listing Rules;
2. each member must not have 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;
3. each member must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement in accordance with the Nasdaq Listing Rules;
4. at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting or any other 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 in accordance with the Nasdaq Listing Rules ; and
5. at least one member determined by the Board to be an “audit committee financial expert” as defined in SEC Rules unless the Company discloses in its annual report or proxy statement, as applicable, that it does not have a financial expert serving on the Committee and explains why.

B. Appointment and Removal

The members of the Committee shall be appointed by the Board, based upon recommendation of the Nominating and Corporate Governance Committee, and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee serve at the discretion of the Board and may be removed, with or without cause, by a majority vote of the Board.

C. Committee Chair

Unless a Committee Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair will chair all regular sessions of the Committee and set the agendas for Committee meetings, working together with the Chief Financial Officer and the global audit department.

D. Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, which may be composed of one or more Committee members.

E. Use of Consultants

The Committee may, at the Company's expense, retain and terminate any independent counsel, experts, consultants and other advisors as the Committee may deem appropriate, and the Committee shall have the sole authority to approve any such advisor's fees and other retention terms.

F. Compensation

Members and the Chair of the Committee shall receive such fees, if any, for their service as Committee members and Chair as may be determined by the Board and approved by shareholders in general meeting, based upon the recommendation of the Compensation Committee. Members of the Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.

III. MEETINGS

A. Frequency and Notice

The Committee shall meet at least four times annually or more frequently as circumstances require. The Committee may establish its own meeting schedule. The Chair of the Board or any member of the Committee may call meetings of the Committee. Meetings of the Committee may be held telephonically. The Committee will meet separately and periodically with the Chief Executive Officer and separately and periodically with the Chief Financial Officer of the Company, at such times as are appropriate to review the financial affairs of the Company. The Committee, without Company management present, will meet separately and periodically with the internal auditors and separately and periodically with the independent auditor of the Company, at such times as it deems appropriate.

B. Attendance

All directors that are not members of the Committee may attend meetings of the Committee, or designees of such directors at the sole discretion of the Chair, subject to the exclusion below, but may not vote. The Committee may request any Board member, officer or employee of or consultant to 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. The Committee may also exclude from its meetings any persons it deems appropriate to carry out its responsibilities, including directors or other persons in which there is an actual or potential conflict of interest.

C. Books and Records

The Committee shall have full access to all books, records, facilities and personnel of the Company in connection with the discharge of its responsibilities.

D. Quorum and Committee Action

A simple majority shall constitute a quorum of the Committee. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for adoption of any resolution. The Committee may also act by unanimous written consent (which may include electronic consent via e-mail).

E. Reports and Minutes

The Committee will report its activities and actions to the Board on a regular basis and maintain minutes or other records of meetings and activity of the Committee, including actions taken by unanimous written consent, which minutes will be filed with the minutes of the meetings of the Board.

IV. RESPONSIBILITIES AND DUTIES

Outlined below are certain continuing responsibilities that the Committee is expected to fulfill in effecting its purpose as stated in Section I of this Charter. This list of responsibilities is presented for illustrative purposes and is not intended to be exhaustive. The Committee may conduct additional activities as appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also fulfill other responsibilities delegated to it from time to time by the Board.

A. Review and Reporting Procedures

The Committee shall:

1. review: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles or practices as suggested by management or the independent auditor; (ii) major issues as to the adequacy of the Company's internal controls and any special compensating procedures or audit steps adopted in light of material control deficiencies and material weaknesses in the Company's internal control over financial reporting; (iii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements; and (v) an annual report furnished by Company management identifying key risks to the Company's worldwide business;
2. discuss with management and the independent auditor the Company's annual audited financial statements, audit opinion and interim unaudited financial statements and review the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to filing the Company's annual report

and furnishing unaudited financial statements with the SEC and, with respect to the annual financial statements, the appropriateness and quality of accounting and auditing principles and practices, including any “critical audit matters” (as that term is defined in PCAOB AS 3101), as well as the adequacy of internal controls that could significantly affect the Company’s financial statements;

3. discuss with management and the independent auditor the Company’s earnings press releases (paying particular attention to the use of any “pro forma” or adjusted” non GAAP information), the type and presentation of information included in the Company’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies; provided, however, that the Committee need not discuss in advance each instance in which the Company may provide financial information or earnings guidance, except that if such financial information or an earnings guidance news release is issued, such information or release shall be discussed in advance with the Chair of the Committee or, in the event of his or her unavailability, another Committee member;
4. report regularly to the Board a summary of matters addressed at Committee meetings, 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 performance and independence of the Company’s independent auditor, the performance of the Company’s global audit function and any other matters that the Committee deems appropriate or is requested to report by the Board;
5. oversee the Company’s global audit function, including (i) reviewing and reassessing, at least annually, the adequacy of the Global Audit Charter; (ii) reviewing and approving the appointment, replacement, reassignment or dismissal of senior global audit personnel, including the lead of global audit (the “LGA”), who acts as the principal liaison between the Company’s global audit department and the Committee and reports directly to the Committee and administratively to the Chief Financial Officer; (iii) approving, in consultation with the LGA and senior global audit personnel, the scope and plan of the global audit; (iv) reviewing with the LGA, senior global audit personnel and the Company’s independent auditor the coordination of audit efforts with the objective of achieving completeness of coverage, reduction of redundant efforts, and the effective use of audit resources; (v) with the LGA and senior global audit personnel (a) considering and reviewing significant findings during the year and management’s responses thereto, (b) considering and reviewing any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required communication, (c) approving any changes required in the planned scope of their audit plan and (d) approving the global audit department’s budget and staffing; and (vi) reviewing with the Chief Financial Officer, Corporate Controller and the Company’s independent auditor the sufficiency and quality of the internal audit staff and other financial and accounting personnel of the Company;
6. review the independent financial statement and internal control audit by: (i) reviewing the independent auditor’s proposed audit scope and approach; (ii) discussing with the Company’s independent auditor the financial statements, the Company’s internal control

over financial reporting and the audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management, any deficiencies, significant deficiencies or material weaknesses and any other matters described in PCAOB Auditing Standard No. 16 or required by the applicable SEC and Nasdaq Listing Rules; and (iii) reviewing reports submitted to the Committee by the independent auditor in accordance with applicable SEC Rules;

7. oversee a post-audit review of the financial statements and audit and control findings with the LGA, senior global audit staff, the Chief Financial Officer and the Corporate Controller, including any suggestions for improvements provided to management by the independent auditor, management's response to such suggestions and the extent to which such improvements have been implemented;
8. direct the Company's independent auditor to review before filing with the SEC the Company's interim financial statements, using professional standards and procedures for conducting such reviews;
9. review before release the financial statements and other information included in the Company's earnings releases;
10. recommend to the Board whether to include the annual audited financial statements in the Company's annual report;
11. review and discuss with the Chief Executive Officer, Chief Financial Officer and the independent auditor (i) the adequacy and effectiveness of the Company's internal controls over financial reporting including any significant deficiencies, material weaknesses and significant changes in internal controls which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information or were reported to the Committee by management and any fraud involving management or other employees who have a significant role in the Company's internal controls, (ii) the results of the internal control audit by the independent auditor, (iii) any special audit steps adopted in light of any material control deficiencies and (iv) the effectiveness of the Company's disclosure controls and procedures;
12. review and discuss with management and the independent auditor (i) any material financial or non-financial arrangements that do not appear on the Company's financial statements, (ii) any transactions or courses of dealing with parties related to the Company that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties and that are relevant to an understanding of the Company's financial statements, (iii) material financial risks that are designated as such by management or the independent auditor and (iv) any other matters required to be discussed by PCAOB AS 1301 and other applicable requirements of the PCAOB and SEC;
13. review at least annually the Company's banking and treasury authorizations and material terms of its credit facilities as they bear on the Company's risk exposures, financial disclosures, internal controls and legal compliance; and

14. review policies and procedure on executive expense accounts and perquisites, including the use of Company assets, and consider the results of any work in these areas by the global audit function or the Company's independent auditor.

B. Independent Auditor

The Committee shall:

1. appoint, remove, compensate, retain and oversee the work of any registered public accounting firm (including resolving disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, with the independent auditor reporting directly to the Committee;
2. obtain and review, at least annually, a report by the independent auditor describing: (i) the independent auditor's internal quality-control review, or peer review, of the independent auditor, (ii) any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to one or more independent audits by the independent auditor and any steps taken to deal with such issues; and (iii) all relationships between the independent auditor and the Company consistent with applicable requirements of the PCAOB regarding independent auditor communications with audit committees concerning independence;
3. review and evaluate the qualifications, performance and independence of the independent auditor and its lead partner and staff, including taking into account the opinions of management and the Company's global auditors;
4. periodically review existing hiring policies for employees or former employees of the independent auditor;
5. assure the regular rotation of the lead audit partner as required by law, and consider whether there should be regular rotation of the audit firm itself and present its conclusions with respect to the independent auditor to the full Board;
6. review with the independent auditor any audit problems or difficulties and management's response, including a regular review of any difficulties the independent auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management as well as the responsibilities, budget and staffing of the Company's global audit function;
7. discuss with the independent auditor the adequacy of the Company's internal controls worldwide;
8. obtain from the independent auditor an annual report on any significant deficiencies or material weaknesses identified in the audit of the consolidated financial statements of the Company and its subsidiaries worldwide;

9. review in advance and pre-approve, explicitly, audit and permissible non-audit services provided to the Company by any registered public accounting firm before such firm is engaged to render such services. The Committee may establish pre-approval policies and procedures or delegate to one or more designated members of the Committee the authority to grant pre-approvals only if such approvals are presented to the Committee at its next meeting;
10. review the report by the independent auditor concerning: (i) all critical accounting policies and practices to be used; (ii) all “critical audit matters” arising from the current audit period (as that term is defined in PCAOB AS 3101); (iii) alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and (iv) any other material written communications between the independent auditor and the Company’s management; and
11. review the qualifications and independence of the independent auditor including: (i) obtaining and discussing with the independent auditor on a periodic (no less than annual) basis a formal written statement from the independent auditor delineating all relationships between and all services with the Company that may impact independence, as defined by applicable standards, Nasdaq Listing Rules and SEC Rules and consistent with Independence Standards Board Standard No. 1; (ii) presenting this statement to the Board; and (iii) to the extent there are relationships or services, working with the Board to take any appropriate action to oversee the independence of the independent auditor.

C. Regulatory Compliance and Other Matters

The Committee shall:

1. if the Company no longer qualifies for the “Foreign Private Issuer” exemptions provided under the Nasdaq Listing Rules or if otherwise required by the SEC Rules or Nasdaq Listing Rules, provide an audit committee report for inclusion in the Company’s annual proxy statement in accordance with SEC Rules;
2. establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also establish procedures for the confidential and anonymous submission of concerns by employees regarding questionable accounting or auditing matters;
3. determine the appropriate funding to be provided by the Company for payment of: (i) compensation to the independent auditor engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company; (ii) compensation to any independent legal, accounting or other advisors retained by the Committee; and (iii) ordinary administrative expenses of the Committee necessary and appropriate for the performance of its duties;

4. oversee compliance with SEC Rules for disclosure of the independent auditor's services and Committee members' identities, qualifications, and activities;
5. oversee, review and periodically recommend changes and amendments to the full Board for approval of the Company's Code of Business Conduct and Ethics and the Company's procedures to monitor compliance with and enforcement thereof;
6. consider questions of actual and potential conflicts of interest (including corporate opportunities) of shareholders, Board members and corporate officers and review and approve proposed related party transactions (as defined in Item 404 of Regulation S-K promulgated under the Securities Act of 1933, as amended), provided that any approval of related party transactions may be made only by the disinterested members of the Committee
7. keep the independent auditor informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company, and review and discuss with the independent auditor its evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties;
8. oversee compliance with the Company's Code of Business Conduct and Ethics, report on such compliance to the Board and review and consider any requests for waivers thereof for directors and executive officers and make a recommendation to the Board; and
9. review the Company's compliance with laws and regulations, including major legal and regulatory initiatives, and any major litigation or investigations against the Company that may have a material impact on the Company's financial statements, including meeting and discussing such matters with management and others as appropriate, including the Chief Legal Officer.

D. Risk Oversight - General

The Committee shall:

1. provide assistance to the Board in overseeing, and provide guidance to management on, the identification, evaluation and mitigation of major strategic, operational, regulatory, accounting and financial reporting, informational and external risks inherent in the Company's business worldwide, including: (i) the guidelines and policies governing the process used by the Company's senior management to assess and manage the Company's exposure to risk; and (ii) the major financial risk exposures and the steps management has taken to monitor and control such exposures, and recommend any changes to such policies and procedures to the Board for its approval and adoption;
2. review and assess the adequacy of, management's identification of all major risks to the business and their relative weight;

3. review and assess the adequacy of, management's plans for risk control or mitigation, periodically report to the Board the Committee's assessment and recommendations, and assist the Board in its discussions with management with respect to risk assessment and risk management;
4. review at least annually the Company's counterparty credit risk, including in connection with general financial relationships and foreign exchange hedging;
5. review at least annually the Company's worldwide insurance program, including the credit quality of its insurance carriers and reinsurers, the scope of coverage, and the limitations of coverage; and
6. provide oversight to management of the content of any regulatory filings related to risk matters.

E. Risk Oversight - Privacy and Data Security

The Committee shall review and discuss with management:

1. management's program to identify, assess, manage, and monitor significant business risks of the Company, including financial, operational, privacy, security, business continuity, legal and regulatory, and reputational risks; and management's risk management decisions, practices, and activities;
2. the Company's privacy and data security risk exposures; the potential impact of those exposures on the Company's business, operations and reputation; the steps management has taken to monitor and mitigate such exposures; the Corporation's information governance policies and programs; and major legislative and regulatory developments that could materially impact the Corporation's privacy and data security risk exposure; and
3. regularly report to the Board the substance of such reviews and discussions and, as necessary, recommend to the Board such actions as the Committee deems appropriate.

F. Clarification of Committee's Oversight Role

While the Committee has the responsibilities and powers set forth in this Charter, the Committee's role is one of oversight. It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. In connection with its oversight responsibilities, the Committee is directly responsible for the resolution of disagreements between management and the independent auditor regarding the Company's financial reporting. Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive Officer and management to determine the appropriate level of the Company's exposure to risk and to assist the Board in its duty to oversee the establishment and maintenance of sufficient internal accounting controls.

V. ANNUAL PERFORMANCE EVALUATION

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