

## 1. Policy Statement

Cohu, Inc. (Cohu), including all its business units consisting of Delta Design, Rasco, Ismeca and Integrated Test Solutions, is committed to conducting business in an ethical, legal, and socially responsible manner. Cohu expects its suppliers to share this commitment and, therefore, has established this Supplier Code of Conduct. Although there may be different legal and cultural environments applicable to its suppliers, Cohu's suppliers must meet the following minimum requirements to do business with Cohu.

## 2. Compliance with Laws, Regulations, and Published Standards

Suppliers must comply with all applicable laws, codes, or regulations of the countries, states, and localities in which they operate. This includes laws and regulations relating to environmental, occupational health and safety, and labor practices. In addition, Suppliers must require their suppliers (including temporary labor agencies) to do the same.

## 3. Environmental Practices

Suppliers shall comply with environmental laws and regulations applicable to their operations worldwide. Such compliance shall include, among other things, the following items:

- Obtaining and maintaining environmental permits and timely filing of required reports;
- Manage, reduce and properly dispose of wastewater and other types of waste;
- Adhere to all materials restrictions requirements;
- Reduce or eliminate pollutants, energy consumption and greenhouse gas emissions;
- Proper handling and disposition of hazardous materials and;
- Monitoring, controlling, and treating discharges generated from operations.

## 4. Occupational Health and Safety Practices

Suppliers shall provide their employees with a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the supplier.

Suppliers shall, among other things, provide:

- Occupational health and safety and emergency preparedness programs and training;
- A system for injury and illness reporting for injury prevention;
- Medical treatment and/or compensation to injured/ill workers arising as a result of working for supplier;
- Machine safeguarding and other protective measures to prevent injuries/illnesses to workers and;
- Clean and safe facilities.

## 5. Labor Practices

Suppliers are expected to adopt sound labor practices and treat their workers fairly in accordance with local laws and regulations. In addition, suppliers must comply with the following standards:

- *Freely Chosen Employment.* Suppliers shall not use any forced labor, whether in the form of human trafficking, slavery, prison labor, indentured labor, bonded labor, or otherwise;
- *Forced Labor.* Suppliers shall not incorporate into their products materials which were produced using forced labor;
- *No Child Labor.* Suppliers shall comply with local minimum working age laws and requirements and not employ child labor;
- *Minimum Wages and Benefits.* Suppliers shall provide wages commensurate with local wage laws and legally mandated benefits;
- *Working Hours.* Suppliers shall not require workers to work more than the maximum hours of daily labor set by local laws;
- *Humane Treatment.* Suppliers shall treat each employee with dignity and respect. In no event shall Supplier's workers be subject to threats of violence, physical punishment, confinement, or other form of physical, sexual, psychological harassment or abuse;
- *No Discrimination.* Suppliers shall not discriminate in its employment practices on the basis of race, color, religion, sex, age, physical disability, national origin, creed, or any other basis prohibited by law and;
- *Freedom of Association.* Suppliers shall recognize and respect the rights of its workers to organize in labor unions in accordance with local labor laws and established practices.

## **6. Ethical Business Practices**

Suppliers are expected to conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with applicable laws and regulations. Suppliers are expected to conform to these requirements in each of the following areas:

- *Fair Trade Practices.* Suppliers shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws;
- *Bribery, Kickbacks, and Fraud.* No funds or assets of the supplier shall be paid, loaned, or otherwise disbursed as bribes, kickbacks, or other payments designed to influence or compromise the conduct of Cohu;
- *Foreign Corrupt Practices Act.* While laws and customs vary throughout the world, all suppliers must comply with foreign legal requirements, United States law, and local laws that apply to foreign operations, including the foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining or retaining business;
- *Conflict Minerals (Dodd-Frank Section 1502).* Supplier shall ensure that parts and products supplied to Cohu containing tungsten, tantalum, tin and gold (3TG), be DRC Conflict-free. DRC Conflict-free parts and products contain no metals derived from "Conflict Minerals" such that they directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of Congo, or adjoining countries where human rights violations are alleged. Additionally, Suppliers shall cooperate with Cohu to conduct reasonable due diligence within their supply chain, provide appropriate declarations showing evidence of same from time to time, and implement internal policies and procedures so that Cohu may make accurate legally required disclosures and to enable Cohu products to be DRC Conflict-free;
- *Policies and Procedures.* Suppliers must comply with Cohu's published policies and procedures, including the Cohu's Code of Conduct and;
- *Intellectual Property Rights.* Suppliers shall respect the intellectual property rights of others, especially Cohu, its affiliates, and business partners. Suppliers shall take appropriate steps to safeguard and maintain confidential and proprietary information of Cohu and shall use such information only for the purposes specified for use by Cohu. Suppliers shall observe and respect all Cohu patents, trademarks, and copyrights, and comply with all requirements as to their use as established by Cohu.

## **7. Monitoring and Compliance.**

Suppliers shall conduct audits and inspections to ensure their compliance with this Supplier Code of Conduct and applicable legal requirements. If a supplier identifies areas of non-compliance, the supplier agrees to notify the Cohu Supply Chain Management Group as to its plans to remedy any such non-compliance. Cohu or its representatives may engage in monitoring activities to confirm Supplier's compliance with this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires or report cards, review of publicly available information, or other measures necessary to assess supplier's performance.

Any Supplier or Cohu employee that becomes aware of violations of this policy is obligated to notify the Cohu Supply Chain Management Group. Based on the assessment of information made available to Cohu, Cohu reserves the right (in addition to all other legal and contractual rights) to disqualify any potential supplier or terminate any relationship with any current supplier found to be in violation of this Supplier Code of Conduct without liability to Cohu.

## **8. Application/Exclusions.**

This Supplier Code of Conduct is a general statement of Cohu's expectations with respect to suppliers. This Policy is not in lieu of, but in addition to, any supplier obligations as set forth in any:

- Request for proposal or other solicitation;
- Agreements by and between Cohu and the Supplier and;
- In the event of a conflict between this Policy and any Cohu solicitation document or applicable agreement, the terms of the Cohu solicitation or agreement shall control.

## **9. Failure to Comply.**

Gross or intentional failure to comply with the policies, procedures or other requirements of the Supplier Code of Conduct may, in Cohu's sole discretion, constitute cause for termination of any agreement by and between Cohu and the Supplier on terms to be determined by Cohu.

**SUPPLIER ACKNOWLEDGEMENT**

The undersigned Supplier hereby acknowledges that it has received and read the Cohu Supplier Code of Conduct for Suppliers (the "Code"). Supplier acknowledges the importance of the Code to the proper conduct of business for and with Cohu. Supplier understands the Supplier's obligations as set forth in the Code and commits to conduct business in accordance with the Code at all times and to report all matters as they arise to the attention of Cohu.

Supplier acknowledges that Cohu may, in its sole discretion, revise the Code from time to time. Supplier understands its responsibility to comply with the then current Code posted on the Cohu website. Supplier acknowledges that failure to comply with the policies, procedures or other requirements of the Supplier Code of Conduct may, in Cohu's sole discretion, constitute cause for termination of any agreement by and between Cohu and the Supplier on terms to be determined by Cohu. Supplier understands that its agreement to comply with the Cohu Code of Conduct for Suppliers does not obligate Cohu to conduct business or place any orders with Supplier.

Please indicate your agreement to the terms of this letter and the attached Code of Conduct by signing below returning one original to my attention at the address below.

**ACCEPTED AND AGREED TO:  
Cohu, Inc.**

**ACCEPTED AND AGREED TO:**

By:

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Supplier Signature

Date: August 12, 2016

Date:

*Luis Müller*

\_\_\_\_\_  
Printed Name : Luis Müller

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
President and CEO  
Cohu, Inc.

\_\_\_\_\_  
Title & Company Name

\_\_\_\_\_  
Cohu, Inc.  
Attn: Supplier Commitment  
12367 Crosthwaite Circle  
Poway, CA 92064 US

\_\_\_\_\_  
Address: