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ESI Enhances Corporate Governance Practices to Be More Responsive to Shareholders

PORTLAND, Ore.--(BUSINESS WIRE)-- Electro Scientific Industries, Inc. (Nasdaq: ESIO), an innovator in laser-based manufacturing solutions for the microtechnology industry, today announced that its Board of Directors has made two significant changes to its governance practices in order to be more responsive to shareholder interests.

The Board amended the Company's bylaws to declassify the Board. Nominees for the class of directors whose terms expire at the 2015 annual meeting will be elected for a one-year term, and, at subsequent annual meetings, director nominees will be elected for a one-year term.

The Board also voted to terminate the shareholder rights agreement, which had been in place since May 2009, by accelerating the expiration date of the rights agreement to March 26, 2015. No action is required on the part of shareholders for this change to take effect.

Richard H. Wills, Chairman of the Board of ESI, stated, "These changes reflect the Board's commitment to the highest standards of corporate governance, and took into consideration shareholder feedback received as part of our normal shareholder engagement process."

About ESI, Inc.

ESI's integrated solutions allow industrial designers and process engineers to control the power of laser light to transform materials in ways that differentiate their consumer electronics, wearable devices, semiconductor circuits and high-precision components for market advantage. ESI's laser-based manufacturing solutions feature the micro-machining industry's highest precision and speed, and target the lowest total cost of ownership. ESI is headquartered in Portland, Ore., with global operations from the Pacific Northwest to the Pacific Rim. More information is available at www.esi.com.

ESI
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