

California Transparency in Supply Chain Act of 2010 (SB657) Disclosure

Ultratech Inc. makes this disclosure pursuant to the California Transparency in Supply Chains Act of 2010, a law which is designated to increase the amount of information manufacturers and retailers make public regarding their efforts to address the issue of slavery and human trafficking in their supply chains.

At Ultratech, we are committed to conducting our business in a lawful and ethical manner, and we expect our direct suppliers and supply chain to meet the minimum required global principles of human rights including but not limited to: abolition of forced labor, elimination of child labor, equality and anti-discrimination rights, freedom of association, payment of minimum wages, and provision of legally mandated employee benefits.

Ultratech has taken the following steps to ensure our suppliers comply with applicable law:

Verification

Ultratech does not engage in verification of product supply chains, either internally or by way of a third party to evaluate and address risks of slavery and human trafficking.

Audits

Ultratech does not conduct, on an internal or independent, unannounced or announced basis, audits of its current suppliers to evaluate compliance with company standards regarding slavery and human trafficking in company supply chains. However, Ultratech does conduct an audit of new suppliers to ensure compliance with company policies, including human trafficking and slavery. The evaluation includes several pre-determined qualitative and quantitative measurement criteria. These audits are performed directly by Ultratech, instead of relying upon Third party auditors. The team qualifies how well the potential supplier meets Ultratech's standards in company's supply chain. Only the suppliers that meet Ultratech's standards and that optimize or meet the overall selection criteria are selected. Those suppliers then become part of Ultratech's supply base and are, as appropriate, managed for continuous improvement.

Certification

To ensure that our contractors and suppliers respect and enforce our company standards, we include a clause in the Purchase Order Terms and Conditions governing our contractual relationship with suppliers. Thus, as a condition of doing business with us, and as a means of self-certification, the Purchase Order term stipulates that "Seller warrants and represents that during performance hereunder it will comply with all relevant and applicable provisions of national, state, and local laws and regulations including, but not limited to laws and regulations regarding the general conditions for labor employed in the production of goods, and the procurement, production, storage, transportation, labeling, and/or sale of any hazardous, toxic or other regulated substances supplied, produced, generated, transported, or used in the performance of Seller's obligations under this Order."

Internal Accountability

Our social responsibility policy clearly states that we have a zero tolerance policy for corruption or unethical practices. Employees who interact with suppliers are expected to report any potentially unlawful and unethical conduct that comes to their attention, including the presence of slavery or human trafficking, in Ultratech's supply chain; and any such report will be promptly and appropriately investigated. If and when we uncover compliance problems, we provide notice and a specified period of time to take corrective action. Non-Compliance with Ultratech standards can result in corrective action or termination, depending on the severity and frequency of non-compliances found. We reserve the right to terminate a business relationship with an employee or contractor if it is deemed necessary.

Training

At this time, Ultratech does not provide training to company employees and management who have direct responsibility for supply chain management with respect to mitigating risks within the supply chains of products. However we plan to launch human trafficking awareness training for our employees to educate them on this subject.