



Kulite Semiconductor Products, Inc.

Code of Business Conduct and Ethics

Promoting Integrity in the Workplace

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KCC2017-1

Dear Colleague:

As employees of Kulite Semiconductor Products Inc., we have inherited an over half a century legacy of excellence in innovation, quality and customer service. Our continued success as a company depends upon delivering innovative solutions to our customers while maintaining our commitment to integrity in the decisions each one of us makes every day. The Code of Business Conduct and Ethics sets out the expectations for all employees, contract labor, agents, representatives, consultants, member of the Board of Directors and all others while representing the company. If you are faced with an ethical dilemma, you have the responsibility to speak up and seek resolution. You can address your concerns with Human Resources or Kulite Ethics and Compliance Officer. To function effectively, the Code depends on such reports and I will not tolerate any attempt to retaliate against those who report a suspected violation in good faith.

Please review this document carefully and ask questions about how the Code relates to your job. Your cooperation in this effort will continue to ensure that Kulite continues to do business in the most honest and ethical manner.

Thank you for being part of the Kulite family and for your commitment to these important values.

Sincerely,



Dick Martin
President

October 2017

The Code of Business Conduct and Ethics (this “Code”) applies to all of the employees, officers, directors, agents and representatives of Kulite Semiconductor Products, Inc. and all of its subsidiaries. Anyone who violates the letter or spirit of these policies is subject to disciplinary action, up to and including termination of employment. Every employee, agent, representative, consultant, officer and director has the responsibility to obey the law and act honestly and ethically. To that end, this Code is a guide that is intended to educate about significant legal and ethical issues that arise frequently and the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee, officer or director may confront, nor is it a summary of all laws and policies that apply to Kulite's business. Ultimately, no code of business conduct and ethics can replace the thoughtful behavior of an ethical employee, officer or director.

The Code is organized according to the following standards:

- **Comply with Laws, Rules and Regulations**
- **Ensure Equal Opportunities in the Workplace**
- **Treat People with Respect and Dignity**
- **Respect for Human Rights**
- **Make a Commitment to Health and Safety**
- **Avoid Conflicts of Interest**
- **Use Company Assets Appropriately**
- **Accurately Charge Labor and Other Costs**
- **Maintain Accurate Books and Records**
- **Avoid Accepting and Giving Improper Business Courtesies**
- **Do Business Ethically**
- **Protect Confidential and Sensitive Information**
- **Compete Fairly for All Business Opportunities**

Please read this Code carefully and consider how the provisions relate to your daily business interactions. Each employee, officer, director, agent, representative or consultant, should also read and be familiar with the portions of Kulite’s other policies, including those contained in Kulite Employee Handbook, applicable to such person none of which are a part of this Code.¹

¹ This Code does not give you rights of any kind, and may be changed by Kulite at any time without notice. Employment with Kulite is “at will,” which means that you or Kulite may terminate your employment at any time, with or without cause, with or without notice, for any reason not prohibited by law, unless governed by a written contract of employment, signed by the employee and the CEO of Kulite.

1) Reporting and Compliance Procedures

Those wishing to raise a concern, to report alleged misconduct or violation of this Code, government law or regulation or to seek advice should submit a written report to either of the following:

Human Resources

hrkulite@gmail.com

Kulite Ethics and Compliance Officer

kulite.ethics.compliance@gmail.com

All reports will be investigated by outside consultants, and, if substantiated, resolved through appropriate corrective action. Those found to have violated the Code will be subject to disciplinary action, including termination of employment. If you choose to identify yourself when making a report, you will be provided feedback upon completion of the investigation. For those who wish to report a concern or alleged violation in confidence, confidentiality will be maintained to the extent possible, although limited disclosure may be necessary in some cases to effectively conduct an investigation.

Retaliation

Retaliation is when an employee is unfairly or inappropriately treated for reporting misconduct, filing a complaint or making an ethics-related inquiry. Retaliation is a violation of Kulite policy. If someone tries to stop you from contacting Human Resources (“HR”) or the Kulite Ethics and Compliance Officer (“KECO”), that person can be subject to disciplinary action up to and including termination. There is no penalty for contacting HR or the KECO in good faith. “Good faith” means that you do not have to be right but it does mean you believed that the information was truthful at the time it was provided.

2) Comply with Laws, Rules and Regulations

Every employee, officer, director, contractor, agent and representative must comply fully with all applicable federal, state, local and foreign laws, rules and regulations that govern Kulite's business activities and conduct. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

3) Ensure Equal Opportunity in the Workplace

Kulite’s commitment to a policy of equal-opportunity employment means that we will not tolerate discrimination or harassment of any employee based on race, color, religion, creed, national origin, nationality, citizenship, age, sex, sexual orientation, marital, domestic partner or civil union status, gender expression or identity, disability, atypical cellular or blood trait, genetic information, veteran status, or if an employee engages in legally protected conduct. Furthermore, Kulite will not tolerate sexual advances, racial or religious slurs, actions, comments or any other conduct in the workplace that creates an intimidating or otherwise offensive or hostile environment based upon membership in a protected class. Everyone has a responsibility to ensure that Kulite maintains an environment free of unlawful harassment.

You should report any situations at work that you consider inconsistent with this policy to Human Resources. If you think you are the subject of prohibited discrimination or harassment, report it immediately. Please refer to Kulite Employee Handbook for additional guidelines.

4) Treat People with Respect and Dignity

Kulite has a long standing commitment to good citizenship. Thus, employees are expected to treat one another, customers and suppliers with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all, and help create an inclusive and ethical culture. We will seek to maintain a safe working environment, minimize the environmental impact of our operations, maximize the efficiencies of our products, reduce emissions, energy consumption and the use of materials.

5) Respect for Human Rights

Kulite's policies and practices reflect a strong commitment to human rights. Our respect for human rights means that we condemn and prohibit human trafficking or exploitation. All employees are expected to take appropriate steps to mitigate the risk of human trafficking and slavery from occurring in any aspect of Kulite's business and supply chain. In the event a supplier is suspected of violating human rights, employees are to contact the KECO or a supervisor so an investigation can be conducted.

The United Kingdom Modern Slavery Act 2015 (MSA) requires commercial organizations to disclose their policies and other information in relation to slavery and human trafficking as well as the steps taken by the organization to ensure such actions are not taking place within the business or supply chain. Kulite's policy is to vet potential and current suppliers to comply with the MSA. Employees are encouraged to report any incidents or suspected violations to HR and the KECO.

6) Make a Commitment of Health and Safety

Kulite strives to protect the environment and the health and safety of our employees. Kulite ensures compliance with applicable environmental laws and regulations and provides a safe and healthy workplace for our employees. We maintain a drug-free, tobacco-free, secure workplace where employees are attentive to hazard prevention. Each employee is responsible to follow safety and health rules as required for every designated area and to report to appropriate leadership any accidents, injuries, and unsafe equipment, practices, or conditions. Additional guidelines are contained in Kulite Employee Handbook. Any concerns should be addressed in accordance with the **Reporting and Compliance Procedures** of this Code.

7) Avoid Conflicts of Interest

Every employee, officer, director, contractor, agent and representative must act in the best interests of Kulite. You must refrain from engaging in any activity that presents a "conflict of interest." A conflict of interest occurs when your personal interest interferes or conflicts with, or appears to interfere or conflict with, the interests of Kulite. A conflict of interest can arise whenever you take action or have an interest that prevents you from performing your Kulite duties and responsibilities honestly, objectively and effectively.

Some examples of potential conflicts of interest include:

- Working for or having an ownership interest in a competitor of Kulite
- Going into business for oneself that is in competition with Kulite
- Receiving compensation, gifts, entertainment, discounts, services, loans or anything else of value from a supplier, customer or other person with whom Kulite does business without authorization

- Receiving anything of value from a competitor of Kulite
- Dealing in products sold by Kulite
- Divulging, selling or misusing confidential, trade secret, or any other information concerning the processes, methods, components and products of Kulite

It is difficult to identify exhaustively what constitutes a conflict of interest. For this reason, you must avoid any situation in which your independent business judgment might appear to be compromised. Questions about potential conflicts of interest situations, and disclosure of these situations as they arise, should be addressed and reported as provided in **Reporting and Compliance Procedures**. It is your responsibility to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

8) Use Company Assets Appropriately

Every employee, officer, director, contractor, agent and representative should seek to protect Kulite's assets and ensure their efficient use. Kulite assets include, without limitation, equipment, inventory, intellectual property such as Kulite names, logos, trademarks, copyrights, confidential information, ideas, plans and strategies. Theft, carelessness and waste have a direct impact on Kulite's financial performance. You must use Kulite's assets and services solely for legitimate business purposes of Kulite and not for any personal benefit or the personal benefit of anyone else.

9) Accurately Charge Labor & Other Costs

Accurately charging labor, material and other costs is essential to maintain the integrity of customer billings, financial reporting and planning. Deliberate mischarging of work time or timecard fraud violates Kulite's policy and the law. Knowingly charging an unauthorized account or cost objective, or knowingly approving such mischarging, or shifting of costs to improper accounts is prohibited. You are responsible for ensuring that labor, travel, material, and other expenses are recorded truthfully. Any questions or concerns about proper charging of labor and other costs should be addressed in accordance with the **Reporting and Compliance Procedures** or to the Accounting Department.

10) Maintain Accurate Books and Records

Every employee, officer, director, contractor, agent and representative must honestly and accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to Kulite's ability to meet legal and regulatory obligations. All Kulite books, records and accounts will be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of Kulite will conform to generally accepted accounting rules and Kulite's accounting policies. You are expected to comply fully with internal accounting and audit policies and procedures designed to protect the integrity of our corporate records and to cooperate with our internal financial and accounting personnel and internal, external and U.S. government auditors. No false or misleading entries will be made in Kulite's books or records for any reason, and no disbursement of corporate funds or other corporate property will be made without adequate supporting documentation.

If you have concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and

anonymously if you wish, submit such concerns or complaints in writing as provided in the **Reporting and Compliance Procedures**.

11) Avoid Accepting and Giving Improper Business Courtesies

Gifts

Unless properly approved, you should not give (or receive) business gifts of more than nominal value to or from people or entities with whom Kulite does business, since such gifts can affect or might appear intended to affect the judgment of the person receiving the gift. Where laws do not provide otherwise, gifts having a value of \$50 or less and not exceeding \$100 in any one year are permitted. The giving or receiving of gifts of a value in excess of \$50 requires the approval of Kulite management. Any gifts, which are not permitted or have not been approved should be declined or turned over to Kulite. Gifts to Government Officials in the United States and abroad are governed by complex laws and regulations and should not be made without written approval of Kulite management and corporate counsel.

Cash gifts

A gift or receipt of cash (or cash equivalent, such as a Visa gift card) to an employee of a business partner or family member of such an employee, in connection with a Kulite business transaction, is strictly prohibited.

Entertainment

The giving or receiving of reasonable and customary meals and entertainment in the normal course of business is permitted in instances where laws do not provide otherwise. Lavish meals or inappropriate entertainment should always be avoided. You must know and comply with all applicable restrictions on providing meals, entertainment, gifts or gratuities to employees or agents of any government. Special care must be given when Government Officials are involved as the laws pertaining to Government Officials vary from country to country and even within a given country. In the United States, for example, we must comply with federal, state and local or municipal law regarding the provision of things of value to Government Officials. In some jurisdictions virtually all gifts and entertainment of Government Officials are prohibited. Any questions with regard to what is permitted and what is prohibited shall be addressed in accordance with the **Reporting and Compliance Procedures**.

You are expected to know and follow the requirements on accepting and giving gratuities and business courtesies summarized in Appendix 1 at the end of this document.

12) Do Business Ethically

Employees, officers, directors, contractors, agents and representatives must pay special attention to the following laws. If any provision of this Code conflicts with local laws or regulations, the one with the higher standard applies, except in cases where doing so causes non-compliance with local law. Questions regarding legal compliance should be directed to Human Resources. Contact Kulite Ethics and Compliance Officer if you have any questions or concerns.

Anti-corruption

Employees, officers, directors, agents and representatives of Kulite must strictly comply with the anti-corruption laws that govern our operations in the countries in which Kulite does

business. Such laws include the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and similar laws enacted by other countries. Together, these laws prohibit bribery, directly or indirectly, of foreign government officials, political parties, party officials, or candidates for public office, to obtain or retain business or an improper business advantage. They also prohibit knowingly falsifying a company's books and records or knowingly circumventing or failing to implement adequate internal accounting controls, which could facilitate or conceal bribery.

Kulite policy prohibits anyone conducting business on behalf of Kulite, including Kulite officers, employees, consultants, representatives, distributors, offset brokers, suppliers, and other business partners, from offering or making any improper payments of money or anything of value to government officials, political parties, or candidates for public office.

Export/Import and Other Trade Restrictions:

Employees, officers, directors, agents and representatives of Kulite are required to strictly comply with all export and import laws and regulations which govern the transfer between countries of certain technical data, equipment and technology. The export licensing and controls that govern such transfers, as well as the rules pertaining to the import of goods and services, are complex. You must be careful to avoid even inadvertent violations.

To ensure compliance with these laws, employees are responsible for consulting with Kulite export control officer before negotiating or entering into any foreign transaction.

Truth in Negotiation and Proposals:

When conducting business with the U.S. Government, Kulite is obligated to comply with the Truth in Negotiations Act (TINA). Where TINA is applicable, employees and applicable third parties are expected to ensure that Kulite provides accurate, complete and current cost or pricing data to the government or a prime contractor when Kulite is a subcontractor to that prime government contractor.

13) Protect Confidential and Sensitive Information

Confidential information includes proprietary information such as our trade secrets, business and marketing plans, sales information and forecasts, manufacturing and processing ideas, designs, databases, records, salary information, unpublished financial data and reports, pricing, customer lists as well as any other non-public information that might be of use to competitors or harmful to Kulite or Kulite's suppliers or customers if disclosed. Employees, officers, directors, agents and representatives of Kulite must maintain in strict confidence all confidential information entrusted to them by Kulite or other companies, including our suppliers and customers, except when disclosure is authorized by Kulite management or required by law. Unauthorized disclosure of any confidential information is prohibited.

Additionally, you should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to Kulite or to another company, is not communicated within Kulite except to employees who have a need to know such information to perform their responsibilities for such company.

Third parties may ask you for information concerning Kulite. You must not discuss internal Kulite matters with, or disseminate internal Kulite information to, anyone outside Kulite, except as required in the performance of your duties. If you receive any inquiries of this nature, you must decline to comment and refer the inquirer to Human Resources.

The obligation to protect such confidential information continues even after leaving employment with Kulite. Upon leaving the company, you must return everything that belong to Kulite and must not disclose confidential information to a new employer or to others. Please consult Kulite Employee Handbook for additional guidelines.

14) Compete Fairly for All Business Opportunities

Kulite will compete fairly and honestly based on, among other things, technical ability, reliability, quality and price. Employees, officers, directors, agents and representatives should endeavor to deal honestly, ethically and fairly with Kulite's suppliers, customers and competitors. Statements regarding Kulite's products and services must not be misleading, deceptive or fraudulent. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

APPENDIX A

Gratuities and Business Courtesies

All employees, agents and representatives are expected to comply with the approval requirements set forth in the following charts. Monetary values are provided in U.S. Dollars to ensure compliance with U.S. laws. If using a different currency, converted amount must not exceed U.S. Dollar limitations.

Definitions:

Gratuities - Items of value – such as cash, goods, services or use of property of facilities, either given or received by an employee or representative of Kulite in connection with the marketing, product information, procurement, public relations, or other business activities of Kulite. These items are given voluntarily and beyond the company’s obligation in return for, or in anticipation of, some service or courtesy.

Business Courtesies – Reasonable accommodations – such as meals, refreshments, entertainment, transportation or lodging either offered or received by an employee or representative of Kulite in connection with the marketing, product information, procurement, public relations, or other business activities of Kulite.

	U.S. or State Government employees	USG Prime Contractors and Subcontractors	Commercial (non-government) Buyers	International (non-US) Government Officials
Business meals	Not allowed without prior written approval of Kulite management	Reasonable – not extravagant or frequent	Reasonable – not extravagant or frequent	Reasonable – not extravagant or frequent
Gratuities	Not allowed	Not allowed except for Kulite promotional items ≤\$50 aggregate value per person per year	Not allowed without prior written approval, except for Kulite promotional items < \$100 aggregate value per person per year	If legally permitted, all gratuities require prior written approval by Kulite management, except for Kulite promotional items, or host gifts under \$50 per person per year
Entertainment or Transportation	Not allowed	Not allowed without prior written approval of Kulite management	Reasonable not extravagant or frequent	Not allowed without prior written approval by Kulite management