

CORPORATE POLICY AND PROCEDURE

ON

INSIDER TRADING

ULTRA CLEAN HOLDINGS, INC.

March 1, 2004

Corporate Policy and Procedure on Insider Trading

1. Purpose

The United States securities laws regulate the purchase and sale of securities in the interest of protecting the investing public. These laws are based upon the belief that all persons trading in a company's securities should have equal access to all "material" information about that company. In general, it is a violation of the United States securities laws for any person to buy or sell securities if he or she is in possession of material non-public information. In addition, it is illegal for any person in possession of material non-public information to provide that information to another person. (This is called "tipping".) Under these laws, Ultra Clean Holdings, Inc. ("**Ultra Clean**" or the "**Company**") and its directors, officers and employees have the responsibility to ensure that information about Ultra Clean is not used unlawfully in the purchase and sale of securities.

Due to the seriousness of the issues surrounding insider trading, the Company has determined that its directors, officers and employees should be subject to certain restrictions on their ability to trade in Ultra Clean securities. This Corporate Policy and Procedure on Insider Trading (the "**Policy**") has been developed to assist the Company and its directors, officers and employees in avoiding the risk of violating securities laws in connection with the handling of corporate information and to prevent inadvertent violations of restrictions on insider trading.

2. Scope of Application

This Policy covers (a) all directors, officers and employees (both domestic and international) of the Company and its subsidiaries, as well as their family members or other persons living in the same household; (b) any other person or entity, including a trust, corporation, partnership or other association which effects a transaction in Ultra Clean securities, which securities are in fact beneficially owned by any of the persons named in clause (a) above; and (c) any outsiders designated by the Company because they have access to material non-public information concerning the Company.

This Policy applies to any and all transactions in shares of common stock of Ultra Clean, options to purchase shares of common stock of Ultra Clean and any other types of securities that the Company may issue, such as preferred stock, convertible debentures and exchange-traded options or other derivative securities.

A copy of this Policy will be delivered to all existing directors, officers and employees, as well as to all new directors, officers, employees and outsiders

at the start of their employment or relationship with the Company. Upon first receiving a copy of this Policy, the recipient must sign an acknowledgment that he or she has read and understands, and agrees to comply with, the terms of this Policy, as it may be amended from time to time. A form of acknowledgment is attached hereto as Appendix I.

3. Restrictions on Trading Ultra Clean Securities during Certain Periods

The restrictions described in this section apply to all transactions by Company directors, officers and employees in Ultra Clean securities.

“Blackout” Periods: Purchases and sales of Ultra Clean securities may only be undertaken during a period that is not a “blackout” period (which is also sometimes referred to as a “quiet” period). Blackout periods are keyed to the preparation and announcement of the Company’s earnings results. Blackouts occur four times annually, beginning on the first day of the third month of each of the Company’s fiscal quarters and extending through the close of trading on the second trading day after the Company’s quarterly or fiscal year-end earnings results for that quarter or year, as the case may be, are made public.

“Trading Freeze” Periods: In addition to “blackout” periods relating to earnings announcements, the Company may from time to time impose a “trading freeze” on all directors, officers and employees due to significant unannounced corporate developments or may impose trading freezes on those specific directors, officers and employees with whom knowledge of such corporate development has been shared. These trading freezes can vary in length and will be communicated either directly or via e-mail or voice mail.

Each person must ensure that any trade he or she is contemplating will not take place during a blackout or trading freeze period.

4. Other Company Policies and Restrictions on Trading Ultra Clean Securities

The additional restrictions described in this section apply to all transactions by Company directors, officers and employees in Ultra Clean securities.

- The purchase of Ultra Clean securities must be for the purpose of investment, not short-term speculation (such as day trading).
- There may be no short-selling of Ultra Clean securities.
- Purchases and sales of options (such as “puts” or “calls”) involving Ultra Clean securities are prohibited.

- Trading in securities of significant licensees or partners of the Company, or other corporations doing business with the Company, while holding material non-public information about such other party is prohibited (*e.g.*, trading during a period when you know the Company is negotiating with the other party on a transaction that is significant to them).
- Generally, exercises of stock options (but not sales of the underlying stock) will not be subject to “blackout” period restrictions and can be effected at any time. However, gifts, limit orders and margin calls will generally be subject to the “blackout” period restrictions.

5. Insider Trading Unlawful

Directors, officers and employees of the Company will often receive information about the Company’s plans, prospects or operations and operating results in the normal course of their duties. This information is an asset of the Company and must not be used or disclosed to others except through regular Company channels that assure fair access to all persons interested in the prospects of the Company and its securities.

If any director, officer or employee possesses material non-public information, he or she must not:

- purchase and/or sell the securities of any company (including Ultra Clean securities) as to which the information he or she knows is material; and
- advise, “tip” or otherwise assist third parties trading Ultra Clean securities or the securities of any other company affected by the information. In particular, but without limiting the scope of this restriction, non-public information must not be provided to broker-dealers, analysts, investment advisors, hedge funds or other securities professionals or to security holders of the Company who could be expected to trade on the basis of the information except for disclosures made by the Company’s representatives who are authorized to communicate with investors, securities professionals and the press (and who so communicate in accordance with the Company’s disclosure policies) and disclosures made to actual or potential business partners under appropriate confidentiality agreements.

This prohibition is in addition to the specific trading restrictions identified in Sections 3 and 4 above. Any question as to whether information

is material or non-public must be discussed with the Company's Chief Compliance Officer prior to any trade. The penalties for violation of the securities laws and regulations are severe both for the person concerned and for the Company. These penalties are described in Section 7 below.

“**Material Information**” generally means:

- information that is likely to affect the market price of Ultra Clean securities or the securities of any other company;
- information that an investor could consider significant in making a decision to buy, sell or hold Ultra Clean securities or the securities of any other company; or
- information that, when publicly disclosed, would be expected to significantly alter the total mix of information in the marketplace about the Company.

It is important to note that, in the event of a dispute about whether information is material, the courts will determine what is material after the fact, with the benefit of hindsight.

Information remains “**non-public**” until it has been released to the public through appropriate channels and investors have had enough time to absorb and evaluate the information. All material information concerning the Company shall be disclosed only through regular Company channels so that all those interested in the Company and its securities will have, as nearly as possible, fair and equal access to that information. A person having knowledge of material information may not attempt to “beat the market” by trading simultaneously with or shortly after the official release of such information. Once public release has occurred, information may normally be regarded as absorbed and evaluated within two days after the information is broadly released.

All information of significance will normally be announced through management approved press releases and public statements. The Company has established procedures for assuring appropriate distribution to the financial wire services and press as well as to trade publications and other interested persons. Until this procedure has been followed, information has not been “released to the public.” The fact that information may appear in a trade publication, or in an announcement made by a licensee, manufacturing partner, competitor or governmental agency, is not enough. Insider trading is not made permissible because material information is reflected in rumors or other unofficial statements in the press or marketplace. When employees become aware of rumors or other unofficial statements concerning the Company, the Chief Financial Officer or Chief Compliance Officer should be notified immediately. Employees may

receive notification by email of Company press releases and such releases are also available on the internet.

In addition to information regarding the Company that has not been publicly disclosed, non-public information that can be considered material could include confidential analyses, financial information, business data and plans and other information received from a licensee or other third party with the expectation that it will be kept confidential and used solely for business purposes.

6. Trading Plans Under Rule 10b5-1

The provisions of Sections 3, 4 and 5 above shall not prohibit transfers of the Company's securities pursuant to a written contract, letter of instruction or plan that complies with the provisions of subsection (c) of Rule 10b5-1 ("**Rule 10b5-1**") adopted by the Securities and Exchange Commission (the "**Commission**") under Section 10 of the Securities Exchange Act of 1934, provided that not less than five business days prior to first engaging in any such transfers the person intending to rely upon this section has provided to the Company's Chief Financial Officer or Chief Compliance Officer a copy and a written summary of such contract, letter of instruction or plan and a letter from securities counsel acceptable to the Company's Chief Financial Officer opining that such contract, letter of instruction or plan is in compliance with subsection (c) of Rule 10b5-1. Any material amendment to any such written contract, letter of instruction or plan that has previously been provided to the Chief Financial Officer or Chief Compliance Officer shall be regarded as the adoption of a new contract, letter or plan, as the case may be, and must similarly be provided to the Chief Financial Officer or Chief Compliance Officer as set forth above.

7. Civil and Criminal Penalties

The seriousness of insider trading is reflected in the penalties that it carries. Both the Company itself and individual directors, officers or employees may be held liable. If insider trading by an individual director, officer or employee is found to be a willful violation of Commission insider trading rules, he or she may be penalized up to \$1,000,000 or imprisoned for up to ten years.

The Commission also has the authority to seek a civil monetary penalty of up to three times the amount of profit gained or loss avoided as a result of an individual's insider trading. The Commission may also impose liability on the Company as the person who controlled the insider trading violator for up to the greater of \$1,000,000 or three times the amount of profit gained or loss avoided by insider trading. "Profit gained" or "loss avoided" is defined as the difference between the purchase or sale price of the security and its value as measured by the trading information. From the amounts imposed on violators as a penalty, the Commission is authorized to pay a bounty of up to ten percent to persons who

provided the information leading to the imposition of that penalty. In addition to the civil penalty, the Commission may seek other relief such as an injunction against future violations and disgorgement of profits resulting from illegal trading. Finally, private parties may bring actions against any person purchasing or selling a security while in the possession of material non-public information.

Any director, officer or employee who violates the prohibitions against insider trading or who thinks there may have been such a violation by any other persons, must report the violation immediately to the Chief Compliance Officer. Upon learning of any such violation, the Chief Compliance Officer will determine whether the Company should publicly release any material non-public information, or whether the Company should report the violation to the appropriate governmental authority.

8. Company Discipline

Violations of this policy or federal or state insider trading or tipping laws by any director, officer or employee, or their respective family members, may subject the director to dismissal proceedings and the officer or employee to disciplinary action by the Company up to and including termination for cause.

9. Inquiries

If you have any question as to any of the matters discussed in this Policy, do not hesitate to ask for advice and do not act until you are confident that you are not trading improperly. Requests for advice should be directed to the Chief Compliance Officer of the Company.

APPENDIX I

ACKNOWLEDGMENT

The undersigned hereby certifies to Ultra Clean Holdings, Inc. that he/she has read and understands the Company's Corporate Policy and Procedure on Insider Trading (the "**Policy**"), a copy of which has been retained by the undersigned, and agrees to comply with the terms of the Policy, as it may be amended from time to time. The undersigned hereby certifies to Ultra Clean Holdings, Inc. that he or she will regularly consult the Company's internal website for any amendments to the Policy.

By: _____
(signature)

Name: _____
(please print)

Date: _____

Please return a signed copy of this form to the Chief Compliance Officer.

Frequently Asked Questions on Insider Trading

Transactions Subject to the Policy

Does the Policy apply only to trades in Ultra Clean common stock?

No. The policy also applies to any “equity equivalent” of Ultra Clean common stock. This includes traded options (puts or calls) and any other security whose market value is tied to the value of Ultra Clean common stock. In addition, the policy applies to equity equivalents or common stock of any other company if you are holding material non-public information, which Ultra Clean has an obligation to keep confidential.

Can I exercise employee stock options during a “blackout” period?

The exercise of employee stock options is exempt from the Policy, because the exercise price of an option is fixed at the time of grant and does not fluctuate with the market. As a result, you may adopt an “exercise and hold” strategy during a “blackout” period. Note, however, that the sale of the underlying stock is subject to the Policy.

Tipping

What is tipping?

Tipping refers to the transmission of material non-public information from an insider to another person. Sometimes this involves a deliberate conspiracy in which the tipper passes on information in exchange for a portion of the “tippee’s” illegal trading profits. Even if there is no expectation of profit, however, a tipper can have liability. The safest choice is: don’t.

Materiality

I know all sorts of things about Ultra Clean. How do I know what’s “material”?

The Supreme Court says that information is material if a reasonable investor would consider it important in deciding whether to buy, sell or hold a security. At Ultra Clean, we have determined that our quarterly earnings information is generally material, which is why we have instituted formal “blackout” periods in connection with our quarterly earnings cycles. Other information—acquisitions, new product announcements, etc.—is evaluated by management on a case-by-case basis but could include the following:

- significant changes in financial results and/or financial condition and financial projections;

- news of major new customers, contracts or orders, design wins, technological breakthroughs or the possible loss of business;
- dividends or stock splits;
- significant changes in business;
- changes in management or control;
- significant mergers, acquisitions, reorganizations, dispositions of assets or joint ventures;
- significant changes in research and development funding or policy;
- significant litigation developments;
- significant increases or decreases in the amount of outstanding securities or indebtedness; and
- transactions with directors, officers or principal security holders.

If you are at all unsure about whether you have material non-public information, the safe approach is to discuss it with the Chief Compliance Officer.

The Quarterly “Blackout” Period

Why do we define the “blackout” period the way we do?

Each “blackout” period is tied to our quarterly earnings cycle. The period begins on the first day of the third month of each quarter. The period continues through the close of business on the second trading day after the announcement of the previous quarter’s earnings. The two trading day waiting period is designed to allow the market to assimilate the earnings announcement before employees are permitted to trade.

Am I always permitted to trade outside of a “blackout” period?

No. Sometimes the Company may impose a “trading freeze” on all directors, officers and employees due to a material unannounced transaction or other development, such as a significant design win or an acquisition. Such a freeze may result in one or more quarters in which directors, officers and employees are not permitted to trade at all. Also, even when there is no blackout period in effect, you must abide by the insider trading rules and not buy or sell securities while in possession of material non-public information.

Is there an exception for personal emergencies?

No.

I'm planning to buy a house next quarter and will want to sell stock at that time. How should the Policy affect my planning?

The important thing to keep in mind is that you can't count on always being able to sell stock precisely when you want to. If, for example, you are asked to work on a material unannounced transaction or contract negotiation, you may be subject to a trading freeze that will prevent you from selling.

Isn't it good to spread the good news of Ultra Clean as a great stock to our friends and family?

It is fine to do so generally. The Commission's rules prohibit the spreading of non-public "insider" news before it is made generally available to the public.

Enforcement Practices

I only own a few hundred shares. The Commission doesn't go after small fish like me, right?

Wrong. The Commission has prosecuted numerous cases involving relatively small amounts of money.

If I pass information to others but don't trade myself, no one will be able to figure it out, right?

Wrong again. The Commission has sophisticated and ingenious methods for identifying unusual trading patterns and tracing them to their source. They have the ability to subpoena telephone records, bank and brokerage statements, personal files, electronic mail files and anything else that may help them make a case.

Further Information

Who should I contact if I have questions regarding the Policy?

The Company's Chief Compliance Officer.

Where do I go for the most current version of the Policy?

The most recent version of the Policy is available on the Company's internal website and from the Chief Compliance Officer.