

**ULTRA CLEAN HOLDINGS, INC.**  
a Delaware corporation  
(the “**Company**”)

**Audit Committee Charter**  
Adopted March 1, 2004

**Purpose**

The Audit Committee is created by the Board of Directors of the Company (the “**Board**”) to:

- assist the Board in its oversight of
  - the integrity of the financial statements of the Company;
  - the qualifications, independence and performance of the Company’s independent auditors; and
  - compliance by the Company with legal and regulatory requirements; and
- prepare the audit committee report that Securities and Exchange Commission rules require to be included in the Company’s annual proxy statement.

**Membership**

The Audit Committee shall consist of at least three members comprised solely of independent directors meeting the independence and experience requirements of Securities and Exchange Commission rules and regulations and Nasdaq or stock exchange requirements, subject to any applicable grace periods from or exceptions to such requirements. At least one member of the Audit Committee shall be an “audit committee financial expert” within the meaning of Securities and Exchange Commission rules and regulations. Audit Committee members may not serve on the audit committees of more than two other public companies. The Nominating and Corporate Governance Committee shall recommend to the Board nominees for appointment to the Audit Committee as vacancies or newly created positions occur. Audit Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Audit Committee.

**Responsibilities**

In addition to any other responsibilities which may be assigned from time to

time by the Board, the Audit Committee is responsible for the following matters.

*Independent Auditors*

- The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (subject, if applicable, to stockholder ratification), and each such accounting firm must report directly to the Audit Committee.
- The Audit Committee has the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors of the Company (subject to any required stockholder ratification).
- The Audit Committee shall pre-approve the audit services and non-audit services to be provided by the Company's independent auditors before the auditors are engaged to render services. The Audit Committee may delegate its authority to pre-approve services to one or more Audit Committee members; *provided* that such designees present any such approvals to the full Audit Committee at the next Audit Committee meeting.
- The Audit Committee shall review and approve the scope and staffing of the independent auditors' annual audit plan(s).
- The Audit Committee shall evaluate the independent auditors' qualifications, performance and independence and shall present its conclusions with respect thereto to the full Board on no less than an annual basis. As part of each such evaluation, the Audit Committee shall:
  - to the extent required by Securities and Exchange Commission rules and regulations or by Nasdaq or stock exchange requirements, obtain and review one or more written reports from the Company's independent auditors:
    - describing the independent auditors' internal quality-control procedures;
    - describing any material issues raised by (i) the most recent internal quality-control review or peer review of the auditing firm or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm and any steps taken to deal with any such issues;

and

- delineating all relationships between the independent auditors and the Company consistent with Independence Standards Board Standard No. 1;
  - review any reports issued by the Company's independent auditors pursuant to Section 10A of the Securities Exchange Act of 1934;
  - actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors and take, or recommend that the full Board take, appropriate action to oversee the independence of the outside auditors;
  - review and evaluate the senior members of the independent auditors team(s), particularly the partners on the audit engagement teams;
  - consider whether the audit engagement team partners should be rotated more frequently than is required by law so as to assure continuing auditor independence;
  - consider on an annual basis whether the independent auditors should be rotated so as to assure continuing auditor independence; and
  - obtain the opinion of management of the independent auditors' performance.
- The Audit Committee must approve the hiring by the Company of any current employee of the independent auditors or any person who has been an employee of the independent auditors within five years of his proposed hire date by the Company.

*Financial Statements; Disclosure and Other Risk Management and Compliance Matters*

- The Audit Committee shall review with management and the independent auditors, in separate meetings if the Audit Committee deems it appropriate:
  - the annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Company's Form 10-K;
  - the quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of

Financial Condition and Results of Operations,” prior to the filing of the Company’s Form 10-Q;

- any analyses or other written communications prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
  - the critical accounting policies and practices of the Company;
  - related-party transactions and off-balance sheet transactions and structures;
  - any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles;
  - the Company’s practices with respect to the use of non-GAAP financial information in its public disclosures; and
  - regulatory and accounting initiatives or actions applicable to the Company (including any Securities and Exchange Commission investigations or proceedings).
- The Audit Committee shall review the Company’s earnings press releases and all financial information, including earnings guidance to be provided, and presentations to be made, to analysts and rating agencies, paying particular attention to the use of non-GAAP financial information, in all cases prior to the release thereof.
  - The Audit Committee shall, in conjunction with the Company’s Chief Executive Officer and Chief Financial Officer, review the Company’s internal controls and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses and any fraud involving management or other employees with a significant role in such controls and procedures.
  - The Audit Committee shall review and discuss with the independent auditors any audit problems or difficulties and management’s response thereto, including those matters required to be discussed with the Audit Committee by the auditors pursuant to Statement on Auditing Standards No. 61, as amended,

such as:

- any restrictions on the scope of the independent auditors' activities or access to requested information;
  - any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise);
  - any communications between the audit team and the audit firm's national office regarding material auditing or accounting issues presented by the engagement;
  - any management or internal control letter issued, or proposed to be issued, by the auditors; and
  - any significant disagreements between the Company's management and the independent auditors.
- The Audit Committee shall have sole authority over the resolution of any disagreements between management and the independent auditors regarding the Company's financial reporting.
  - The Audit Committee shall review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
  - All complaints received by the Company regarding accounting, internal accounting controls or auditing matters shall be directed to the Chairman of the Audit Committee, and the Audit Committee shall establish procedures for the retention and treatment all such complaints.
  - The Audit Committee shall establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and the Audit Committee shall review any significant concerns so submitted.
  - The Audit Committee shall prepare the audit committee report that Securities and Exchange Commission rules and regulations require to be included in the Company's annual proxy statement.
  - The Audit Committee shall review actual or potential conflicts of interest involving directors and shall determine whether such director or directors may vote on any issue as to which there may be a conflict.

### *Corporate Governance Matters*

- The Audit Committee shall review and consider requests for waivers of the Company's Code of Business Conduct and Ethics for the Company's directors, executive officers and other senior financial officers and shall make a recommendation to the Board with respect to any such request for a waiver.

### *Reporting to the Board*

- The Audit Committee shall report to the Board as often as necessary or advisable (as determined by the Audit Committee) or as requested by the Board as to any recommendations or issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualifications, independence and performance of the Company's outside auditors, any funding requirements for the outside auditors, Audit Committee and any advisors retained by the Audit Committee to assist it in its responsibilities and any other matters that the Audit Committee deems appropriate or as requested by the Board.
- The Audit Committee shall review and assess the adequacy of this charter and recommend any proposed changes to the Nominating and Corporate Governance Committee as often as necessary or advisable (as determined by the Audit Committee).
- The Audit Committee shall perform other activities related to this charter as requested by the Board.

### **Authority**

The Audit Committee has the authority to retain independent legal, financial, accounting or other advisors as it determines necessary to carry out its duties and shall have access to any officer or employee of the Company or the Company's outside counsel, independent auditors or external parties, and may request that any such person or parties meet with any members of, or advisers to, the Audit Committee and the Audit Committee may otherwise seek information from any of the foregoing.

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility.

The Audit Committee may delegate its authority to subcommittees or the Chairman of the Audit Committee when it deems such delegation to be appropriate and in the best interest of the Company.

## **Procedures**

The Audit Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter, but on no less than a quarterly basis. The Chairman of the Audit Committee, in consultation with the other Audit Committee members, shall determine the frequency and length of committee meetings and shall set meeting agendas consistent with this charter.

All committee members are expected to attend each meeting, in person or via tele- or video-conference. Meeting minutes will be taken.

On a periodic basis and at least quarterly, the Audit Committee shall meet separately with management and with the independent auditors.

## **Limitations Inherent in the Audit Committee's Role**

It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP. This is the responsibility of management and the independent auditors. Furthermore, while the Audit Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive Officer and management to determine the appropriate level of the Company's exposure to risk.