

ULTRA CLEAN HOLDINGS, INC.

a Delaware corporation

(the “**Company**”)

Compensation Committee Charter

Adopted March 1, 2004

Purpose

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

- oversee the Company’s compensation and benefits policies generally, including the issuance of stock options;
- evaluate senior executive performance and review the Company’s management succession plan;
- oversee and set compensation for the Company’s senior executives; and
- prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company’s annual proxy statement.

Membership

The Compensation Committee shall consist of at least three members. No current officer of the Company may serve on the Compensation Committee. The Nominating and Corporate Governance Committee shall recommend to the Board nominees for appointment to the Compensation Committee as vacancies or newly created positions occur. Compensation 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 Compensation Committee.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Compensation Committee is responsible for the following matters.

Compensation Policies

- The Compensation Committee shall review and approve the Company’s compensation and benefits policies generally (subject, if applicable, to stockholder ratification), including reviewing and approving any incentive-compensation plans and equity-based plans of the Company. In

reviewing such compensation and benefits policies, the Compensation Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Company and any other factors that it deems appropriate. The Compensation Committee shall report the results of such review and any action it takes with respect to the Company's compensation and benefits policies to the Board.

Executive Compensation

- The Compensation Committee shall review and approve for each of the Company's executives his or her (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance and change-in-control agreements, if any, and (v) any other compensation, ongoing perquisites or special benefit items; *provided* that to the extent required by Securities and Exchange Commission rules and regulations or Nasdaq or stock exchange requirements, stock option grants and other equity-based compensation of the Company's executives shall be recommended by the Compensation Committee and shall be approved by the Board. In so reviewing and approving executive compensation, the Compensation Committee shall, among other things:
 - identify corporate goals and objectives relevant to executive compensation;
 - evaluate each executive's performance in light of such goals and objectives and set each executive's compensation based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation);
 - determine any long-term incentive component of each executive's compensation based on awards given to such executive in prior years, the Company's performance, stockholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
- Notwithstanding any of the foregoing, executive compensation may instead be approved by the Board or by a committee consisting solely of independent directors to the extent the Compensation Committee deems necessary or advisable to comply with Securities and Exchange Commission rules and regulations or Nasdaq or stock exchange requirements.

- The Compensation Committee shall report the results of its review and any action it takes with respect to executive compensation to the Board.
- The Compensation Committee may delegate to one or more officers of the Company the authority to make grants and awards of stock rights or options to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or other equity-based plans as the Compensation Committee deems appropriate and in accordance with the terms of any such plan, subject to any limit on the number of shares subject to such stock rights or options as the Compensation Committee may prescribe from time to time.

Management Performance Evaluation

- The Compensation Committee shall evaluate the performance of the senior management of the Company as often as necessary or advisable (as determined by the Compensation Committee) or as requested by the Board.

Management Succession

- The Compensation Committee shall, in consultation with the Company's Chief Executive Officer, as often as necessary or advisable (as determined by the Compensation Committee), review the Company's management succession planning, including succession planning in the event of the incapacitation, retirement or removal of the Chief Executive Officer, and recommendations and evaluations of potential successors, along with any development plans recommended for such individuals.

Disclosure

- The Compensation Committee shall prepare the report on executive compensation required by Securities and Exchange Commission rules to be included in the Company's annual proxy statement.

Reporting to the Board

- The Compensation Committee shall report to the Board as often as necessary or advisable (as determined by the Compensation Committee) or as requested by the Board as to any recommendations or issues that arise with respect to the Company's compensation and benefits policies, executive compensation, management performance, management succession planning and any other matters that the Compensation Committee deems appropriate or as requested by the Board.
- The Compensation 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 Compensation Committee).

- The Compensation Committee shall perform other activities related to this charter as requested by the Board.

Authority

The Compensation Committee has the authority to retain and terminate any compensation consultant assisting the Compensation Committee in the evaluation of compensation of the Company's Chief Executive Officer or other senior executives, including the authority to approve the fees and other retention terms of any such consultant.

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

Procedures

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Compensation Committee, in consultation with the other Compensation Committee members, shall determine the frequency and length of committee meetings and shall set meeting agendas consistent with this charter.

No senior executive shall attend any portion of a meeting where such executive's performance or compensation is discussed, unless specifically invited by the Compensation Committee. Meetings to determine the compensation of the Chief Executive Officer must be held in executive session. Meetings to determine the compensation of Section 16 officers, other than the Chief Executive Officer, may be attended by the Chief Executive Officer, but the Chief Executive Officer may not vote on these matters.