

# **PSEMI CORPORATION**

## **CODE OF ETHICS AND BUSINESS CONDUCT**

*Amended as of and Effective August 30, 2018*

### **1. POLICY STATEMENT**

The reputation and integrity of pSemi Corporation and its subsidiaries (collectively, the “Company”) are valuable assets that are vital to the Company's success. Operating with integrity is critical to maintaining the trust of our employees, customers and business partners. By acting ethically and communicating truthfully we enhance our business. For this reason, we strive to continually adapt our policies and practices to new laws and regulations, increase the quality of our employee training programs and maintain avenues of communication between the Board, management and employees.

Operating at the highest level of integrity begins with all of us. In addition to treating one another with respect, each person must exercise good judgment. An understanding of the legal and ethical parameters set forth in this Code of Ethics and Business Conduct (the “Code”) enhances that judgment. That goal cannot be achieved unless each of our employees individually accepts his or her responsibility to promote integrity and ethical conduct in all of his or her activities. Activities that may call into question the Company’s reputation or integrity should be avoided. Because not every situation that may pose an ethical or moral issue is black and white, the key to compliance with the Code is exercising good judgment. This means following the spirit of this Code and the law and acting ethically even when the Code or the law does not address a specific situation.

Every manager and supervisor is expected to take necessary actions to ensure compliance with this Code, to provide guidance and assist employees in resolving questions concerning the Code and to permit employees to express any concerns regarding compliance with this Code.

The Code outlines the broad principles of legal and ethical business conduct under which we do business. The Code is intended to supplement, but not to replace, any formal policies that we have established with respect to specific areas or conduct. Every person who works for the Company, its affiliates or subsidiaries is expected to understand and comply with the provisions of this Code.

### **2. INTRODUCTION**

(a) This Code does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers and employees of the Company. All directors, officers and employees of the Company must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and followed by the Company agents and representatives, including consultants.

(b) If employee violates the standards in the Code, employee may be subject to disciplinary action, up to and including immediate termination of employment.

(c) The Code supersedes all other informal procedures, instructions, practices or written or verbal representations to the extent that they are inconsistent with the Code. We are committed to continuously reviewing and updating our policies and procedures. The Code, therefore, is subject to modification.

(d) We hold or provide access to periodic training sessions or relevant education in order to ensure that all employees comply with the relevant laws, rules and regulations associated with their employment.

(e) Nothing in the Code modifies the Company's at-will employment relationship with its employees.

### 3. **PURPOSE**

The Code seeks to deter wrongdoing and to promote:

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) compliance with applicable governmental laws, rules and regulations;

(c) the prompt internal reporting to an appropriate person or persons identified in the Code of violations of the Code; and

(d) accountability for adherence to the Code.

### 4. **COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS**

Obeying the law, both in letter and spirit, is the foundation on which the Company's ethical standards are built. Employee must comply with all applicable laws, rules and regulations of the cities, states, provinces and countries in which we operate. Although employee is not expected to know the details of these laws, it is important to know enough to determine when to seek advice from managers or other appropriate personnel. If a law conflicts with a policy in the Code, employee must comply with the law. If employee has any questions about these conflicts, ask your manager or the Company's Vice President of Finance or outside General Counsel (see 18c for contact information) how to handle the situation.

## 5. ETHICAL CONDUCT

Beyond compliance with laws, the Company requires that all its employees, officers and directors act in a manner that meets a very high standard of ethical behavior. This includes the obligation to avoid any actual or apparent conflicts of interest in personal and professional relationships. The honesty and integrity of our business conduct must not be compromised. The Company will not condone ethical violations for the sake of personal gain, personal advantage, expediency or perceived business advantage.

## 6. CONFLICTS OF INTEREST

(a) It is the Company's policy that employees, officers and directors and others acting on the Company's behalf must be free from unreported conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the Company in conducting the Company's business activities and assignments. The Company recognizes that employees, officers and directors may take part in legitimate financial, business, charitable and other activities outside their Company jobs, but any potential conflict of interest raised by those activities must be disclosed promptly as set forth below. Examples of when a conflict of interest may arise include, but are not limited to:

(i) When a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively.

(ii) When a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position with the Company.

(iii) Almost always, when an employee works simultaneously for an entity that competes directly or otherwise in a meaningful way with the Company (a "competitor" for purposes of this Section 6) or, except on our behalf, a customer or supplier. Employee is not allowed to work for a competitor in any capacity.

(iv) When a director, officer or employee serves as a director of any company that competes with the Company.

(v) When a director, officer or employee has a business or financial interest in a customer, supplier, developer or competitor of the Company. In deciding whether to make such an investment, employee should consider the size and nature of the investment, employee's ability to influence decisions of the Company or of the other company, employee's access to confidential information of the Company or of the other company and the nature of the relationship between the Company and the other company.

(vi) When a director, officer or employee conducts the Company business with a relative or significant other, or with a business with which a relative or significant other is associated in any significant role. Relatives include spouse, sisters, brothers, daughters, sons, mother, father, grandparents, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. Significant others include persons living in a spousal or familial fashion (including same sex) with an employee.

(b) Conflicts of interest as described above and not reported to the Company are prohibited as a matter of the Company's policy, except in the case of any director, executive officer, officer or employees, with the informed written consent of the Company's Chief Executive Officer or Vice President of Finance or pursuant to guidelines approved by the Company's Chief Executive Officer or Vice President of Finance. Conflicts of interest may not always be clear-cut, so if employee has a question, employee should consult with higher levels of management or the Company's Chief Executive Officer or Vice President of Finance. Although not every actual or potential activity creating a conflict of interest is automatically prohibited, employee should disclose all details of the conflict to employee's manager, and if possible obtain written approval from the Company's Chief Executive Officer or Vice President of Finance before participating in any such activity. If employee becomes aware of a conflict or potential conflict, employee should bring it to the attention of a manager or other appropriate personnel or consult the procedures described in "Personal Responsibility and Compliance Procedures" (below).

## **7. CORPORATE OPPORTUNITIES**

Employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the informed prior consent of the Company's Chief Executive Officer or Vice President of Finance. Employee may not use corporate property or information obtained through your position with the Company for improper personal gain, and employee may not compete with the Company directly or indirectly. Furthermore, employees owe a duty to the Company to advance its legitimate interests when such an opportunity arises.

## **8. DISCRIMINATION, HARASSMENT AND RETALIATION**

The diversity of the Company's employees is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination, harassment or retaliation of any kind. Examples of such behavior include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Please consult the Company's employee handbook for more information on the Company's policy against such conduct.

## **9. HEALTH AND SAFETY**

(a) The Company strives to provide its employees with a safe and healthy work environment. Employees are responsible for helping to maintain a safe and healthy workplace for all employees by following safety and health rules and immediately reporting accidents, injuries and unsafe equipment, practices or conditions.

(b) Violence and threatening behavior are not permitted. Employees must report to work in condition to perform their duties, free from the influence and impairment of alcohol, legal or illegal drugs or other substances causing impairment, and their abuse in the workplace will not be tolerated.

## 10. **RECORD-KEEPING**

(a) The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions and to comply with the law. For example, employees who must report their hours worked must only report the true and actual number of hours worked (whether for purposes of individual pay or for purposes of reporting such information to customers). The Company also requires each employee to disclose any transaction or arrangement among such individual or any family member or affiliated entity of such individual, on the one hand, and any other employee or any family member or affiliated entity of such other individual, on the other hand, that in any way relates to or arises out of such individual's professional relationship with the Company.

(b) Many employees regularly use business expense accounts, which must be documented and recorded accurately in accordance with the Company's policies. If employees are not sure whether they may seek reimbursement for a certain expense, they should ask their manager or the Vice President of Finance.

(c) All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

(d) Business records and communications often become public, and employee should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies that can be misunderstood. This policy applies equally to e-mail, internal memos and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please consult the Company's Chief Executive Officer or outside General Counsel (see 18c for contact information).

## 11. **CONFIDENTIALITY**

Employee must not disclose confidential information entrusted to employee by the Company or its customers, except when disclosure is authorized by the Company's established written policies or its Chief Executive Officer or outside General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed, and information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee is required to sign a confidentiality and proprietary information agreement when he or she began his or her employment with the Company.

## 12. **PROTECTION AND PROPER USE OF THE COMPANY'S ASSETS**

(a) Employee should endeavor to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud or theft must immediately be reported for investigation. The Company's equipment may not be used for non-Company business, though

limited incidental personal use is permitted if such use does not interfere with an employee's job duties or performance and it does not put the Company or its property at risk.

(b) Employees' obligation to protect the Company's assets includes protecting its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of such information would violate the Company's policy and could also be illegal and result in civil or even criminal penalties.

### 13. **COMPETITION AND FAIR DEALING**

The Company seeks to outperform its competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. We are committed to fair and open competition in markets around the world and all employees are expected to comply with the antitrust/competition laws of the countries in which we do business. Violations can result in substantial money damages and criminal penalties for both the Company and individuals involved.

There are a number of different practices that could be prohibited such as agreeing with competitors on prices, and division of customers or sales territories. Additionally, refusals to deal, exclusive dealing or tying the sale of a product to the customer's purchase of a second product may also violate these laws. The law is complex; accordingly, the following guidelines are provided to assist in the avoidance of anti-competitive behavior in the Company's business arrangements and agreements. Employee should avoid the following inappropriate actions:

- (a) Agreements with the Company's competitors to do any of the following:
  - (i) Setting prices or any other economic terms of the sale, purchase or license of goods or services;
  - (ii) using the same method of setting prices or setting other conditions of a sale or purchase;
  - (iii) determining whether or not to bid on a particular sale or setting the terms of a bid;
  - (iv) allocating or limiting customers, territories, products or services or not soliciting business from each other;
  - (v) boycotting (or agree not to do business with one or more customers, suppliers, licensors or licensees); and
  - (vi) limiting production volume or research and development, refraining from certain types of selling or marketing of good or services, or limiting or standardizing the features of products or services.

(b) Agreements with customers/licensees to establish minimum resale price levels (discounts);

(c) The following agreements or arrangements, which should never be used without prior outside General Counsel approval:

(i) agreements with customers/ licensees on the maximum resale price;

(ii) predatory pricing (pricing below cost);

(iii) exclusive dealing (requiring customers or licensees not to deal in the goods or services of one of the Company's competitors);

(iv) charging different prices to similarly situated customers (price discrimination may be legal if there is an appropriate justification—such as meeting competition or offering volume discounts—but always check with the outside General Counsel first); and

(v) tying arrangements (where the seller conditions its sale of product A to the customer's purchase of product B).

If in doubt as to the lawfulness of a particular practice, seek advice from the outside General Counsel. Also, if asked by a representative of any competitor of the Company to engage in any of these practices, report it immediately to the outside General Counsel (see 18c for contact information).

Employees, officers and directors may not make misleading remarks about individuals or organizations or their products or employees. No employee should take unfair advantage of anyone through fraudulent concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Stealing proprietary information or trade secrets, or inducing disclosure of such information by past or present employees of other companies, is prohibited. Employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees.

#### 14. **GIFTS**

The giving and receiving of business courtesies (gifts and entertainment) is a common business practice. Appropriate business gifts and entertainment are designed to build relationships and understanding among business associates. However, gifts and entertainment should not compromise, or appear to compromise, employee's ability to make objective and fair business decisions. It is employee's responsibility to use good judgment in this area. As a general rule, employee may give or receive gifts or entertainment to or from customers, suppliers or others only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision.

Some types of favors, gifts or entertainment are simply wrong, either in fact or appearance and are never permissible. These include, without limitation, favors, gifts or entertainment that would be illegal, unsavory or that would violate our commitment to diversity and mutual respect. Any situation that would cause a supplier, customer or employee to feel uncomfortable, or would

violate the gift policy of the recipient's company, or would embarrass us by its public disclosure is inappropriate.

Additionally, all gifts and entertainment expenses must be properly accounted for on expense reports. Without limitation of other consequences for violating this Code, there will be no reimbursement for any expense incurred with respect to gifts or entertainment in contravention of this Code.

The following specific examples may be helpful:

Meals and Entertainment. Employee may occasionally accept or give meals, refreshments or other entertainment if the items are of reasonable value and the purpose of the meeting or attendance at the event is business related. Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

Advertising and Promotional Materials. Employee may accept or give advertising or promotional materials of nominal value.

Gifts Rewarding Service or Accomplishment. Employee may accept a gift from a civic, charitable or religious organization specifically related to Employee's service or accomplishment.

Employee must refuse or return a gift that is beyond these permissible guidelines. For instance, employee may never accept: (i) gifts of cash or its equivalent (including, without limitation, loans, stock options, stock, traveler's checks, money orders, investment securities, bonds or other negotiable instruments); or (ii) any other business courtesy given in an attempt to motivate employee or another person to do anything that is prohibited by law, regulation or our policies. And, of course, employee may never give a gift or provide a service of a type that you yourself could not accept.

Additionally, if employee conducts business in countries other than the United States, employee must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. In particular, additional restrictions exist—including without limitation the need for advance approval—for gifts and entertainment offered or provided to foreign government officials, including employees of any local, state or national government, state-owned or state-controlled entity and/or public international organization. See Section 17 below as well as the Company's "Anti-Corruption Manual" for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions in other countries. Please discuss with your manager any gifts or proposed gifts that employees are not certain are appropriate.

## **15. SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH FINANCIAL REPORTING RESPONSIBILITIES**

(a) The Finance department bears a special responsibility for promoting integrity throughout the organization. The Chief Executive Officer, Vice President of Finance, and other finance personnel each have a special role both to adhere to these principles themselves and also

to ensure that a culture exists throughout the Company as a whole that ensures that fair and timely reporting of financial results and conditions.

(b) Because of this special role, the Chief Executive Officer, Vice President of Finance, and all other members of the Company's finance department are bound by the following Financial Officer Code of Ethics. Each agrees that he or she will:

- (i) Act with honesty and integrity;
- (ii) Avoid actual or apparent conflicts of interest in professional and personal relationships;
- (iii) Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate timely and understandable disclosure in reports and documents;
- (iv) Bring promptly to the attention of the Vice President of Finance or outside General Counsel any material information of which he or she may become aware that affects the Company;
- (v) Bring to the attention of the Vice President of Finance of the Company any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process and summarize financial data;
- (vi) Bring to the attention of the Vice President of Finance or outside General Counsel of the Company any fraud that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls;
- (vii) Bring to the attention of the Chief Executive Officer, Vice President of Finance or outside General Counsel any information concerning any violation of this Code, including any conflicts of interest involving any employees who have a significant role in the Company's financial reporting, disclosures or internal controls; and
- (viii) Bring to the attention of the Chief Executive Officer, Vice President of Finance or outside General Counsel any information concerning a material violation of the laws, rules or regulations applicable to the Company and the operation of its business.
- (ix) Violations of the foregoing special ethics obligations, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment.

## 16. **REPORTING ILLEGAL OR UNETHICAL BEHAVIOR**

(a) Employees are encouraged to talk to managers or other appropriate personnel about observed illegal or unethical behavior or when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

(b) Employees are encouraged to provide as much specific information as possible, including names, dates, places, events and the employee's belief as to why the incidents are a questionable accounting or auditing matter.

(c) In addition to, or as an alternative to reporting any perceived violations of this Code to the individuals named above, employees may contact outside General Counsel, John Tolpa, Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP at [jtolpa@gunder.com](mailto:jtolpa@gunder.com) or by calling 858-436-8086. Entering a complaint through Gunderson Dettmer will be confidentially forwarded to the Vice President of Finance or CEO, as appropriate, for review and consideration.

(d) General Counsel in concert with the Vice President of Finance will maintain a log of all complaints, tracking their receipt, investigation and resolution. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy.

## 17. PERSONAL RESPONSIBILITY AND COMPLIANCE PROCEDURES

We must all work to ensure prompt and consistent action against violations of the Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem.

(a) These are the steps to keep in mind:

(i) Employee should make sure to have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

(ii) Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? These questions will enable employee to focus on the specific questions they are faced with and the alternatives they have. Using judgment and common sense; if something seems unethical or improper, it probably is.

(iii) Clarify ones responsibility and role. In most situations, there is shared responsibility. Are employee's colleagues informed? It may help to get others involved and discuss the problem.

(iv) Employee should discuss the problem with their manager. This is the basic guidance for all situations. In many cases, ones manager will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is the employee's manager's responsibility to help solve problems.

(v) Seek help from the Company's resources. In the rare case where it may not be appropriate to discuss an issue with your manager or where employee does not feel comfortable approaching employee's manager with questions, discuss it with the Company's Vice President of Finance, outside General Counsel (see 18c above for contact information) or head of Human Resources.

(vi) Employees may report ethical violations in confidence and without fear of retaliation. If employee's situation requires that employee's identity be kept secret, employee's anonymity will be protected to the greatest extent possible. The Company does not permit retaliation of any kind against employees for good-faith reports of ethical violations.

(vii) Always ask first, act later. If employees are unsure of what to do in any situation, seek guidance.

(b) The Vice President of Finance or such other person as is designated by the Company's Board of Directors shall be responsible for ensuring that the Code becomes an integral part of the Company's culture. The Company shall ensure that all employees have access to the Code on the Company's internal website and shall provide each employee with a hard copy of the Code upon request. The Company will take such actions as it deems necessary to promote high standards of ethical conduct and to instruct employees regarding improper or illegal conduct. The Company shall maintain a record of all incidents reported as violations of this Code, and the Vice President of Finance shall provide the Chief Executive Officer on at least a quarterly basis a report summarizing all communications expressing complaints or concerns received.

(c) The Vice President of Finance shall be responsible to review the Code with all of the Company's employees. Managers are the "go to" persons for employee questions and concerns, especially in the event of a potential violation. Managers will immediately report any violations or allegations to the Vice President of Finance and will work with them in assessing areas of concern, potential violations, any needs for enhancement of the Code and overall compliance with the Code and other related policies. As noted previously, if it would be inappropriate to discuss the issue with employee's manager or if employee is not comfortable discussing the issue with their manager, employee should contact the Vice President of Finance, outside General Counsel (see 18c above for contact information) or the head of Human Resources.

(d) When an alleged violation of the Code is reported, the Company shall take prompt and appropriate action in accordance with the law and regulations and otherwise consistent with good business practice. If the suspected violation appears to involve either a potentially criminal act or an issue of significant corporate interest, then the manager or investigator should immediately notify the Vice President of Finance or outside General Counsel (see 18c above for contact information) . The Vice President of Finance or another senior officer of the Company, as applicable, shall assess the situation and determine the appropriate course of action. As part of this process, a person who is suspected of a violation shall be apprised of the alleged violation and shall have an opportunity to provide a response to the investigator. All actions or investigations in response to a violation shall be documented, as appropriate.

(e) The Vice President of Finance together with the Company's Chief Executive Officer and head of Human Resources shall be responsible for implementing the appropriate disciplinary action in accordance with the Company's policies and procedures for any employee who is found to have violated the Code. The Vice President of Finance together with the Company's Chief Executive Officer shall be responsible for implementing the appropriate disciplinary action for any officer or director who is found to have violated the Code. The Vice President of Finance shall ensure that the disciplinary mechanisms described in this section shall

be subject to annual review. In addition to imposing discipline upon persons involved in non-compliant conduct, the Company also shall impose discipline, as appropriate, upon individuals who fail to detect non-compliant conduct and upon individuals who fail to report known non-compliant conduct. Disciplinary action, undertaken in concert with Human Resources, may include the termination of the employee's employment. Disciplinary action shall be documented, as appropriate.

(f) In the event of a violation of the Code, the Vice President of Finance, as applicable, should assess the situation to determine whether the violation demonstrates a problem that requires remedial action as to Company policies and procedures. Such remedial action may include retraining Company employees, modifying Company policies and procedures, improving monitoring of compliance under existing procedures and other action necessary to detect similar non-compliant conduct and prevent it from occurring in the future. Such corrective action shall be documented, as appropriate.

## **18. COMMUNICATION POLICY**

Except for routine information requests or with the prior approval of the CEO, no one except the CEO shall speak on behalf of the Company. The CEO is a "Designated Spokesperson" for the Company and unless authorized as provided in this policy, no other individual is a Designated Spokesperson. "Routine information requests" are inquiries from individuals or companies that can be responded to by referring the caller to already-public information, such as the Company's press releases, or information posted on the Company's website. The Company recognizes that it may be desirable from time to time for executives other than the CEO to speak with market professionals after obtaining the prior written approval of either the CEO. In the specific instances in which such individuals have been so authorized by the CEO, such individuals shall also be considered to be a Designated Spokesperson for the Company solely for purposes of such authorized communications.

## **19. WAIVERS OF THE CODE**

Waivers of the Code may only be granted by the Company's Chief Executive Officer or Vice President of Finance. However, any waiver of the Code for executive officers or directors may be granted only by the Board.

## **20. PUBLICATION OF THE CODE AND AMENDMENTS.**

The most current version of this Code will be posted and maintained on the Company's website. Any substantive amendment of this Code may be made only after approval by a Committee comprising solely the Company's independent directors and will be disclosed in the Company's public filings, as required by law or securities market regulations.

Date of last revision: August 30, 2018