



Key Technology, Inc.

California Transparency in Supply Chains Act Of 2010

CORPORATE DISCLOSURE

At Key Technology, we are committed to conducting our business in a lawful and ethical manner, and we expect the same from our suppliers. As part of this commitment, we have no tolerance for slavery or human trafficking in our supply chain.

We have taken a number of steps to ensure that our supply chain is free of slavery and human trafficking. Our **Supplier Code of Conduct** requires suppliers to comply with all applicable laws and regulations in all locations where they conduct business. The Supplier Code of Conduct specifically forbids the use of forced or involuntary labor of any kind, as well as the use of corporal punishment, threats of violence, or other forms of physical coercion and harassment against employees. The Supplier Code of Conduct has been incorporated into our supplier manual and posted to our supplier webpage. By doing business with us, suppliers agree to comply with the supplier manual, including the Supplier Code of Conduct. In addition, our standard terms and conditions for purchase orders and supply contracts (i) require the supplier and all of its vendors and subcontractors to comply with the Supplier Code of Conduct and (ii) authorize us to terminate the order or contract if the supplier violates the Supplier Code of Conduct.

At this time, we do not monitor or audit compliance with the Supplier Code of Conduct, nor do we provide employees with training on slavery and human trafficking. However, employees who interact with suppliers are expected to report any potentially unlawful or unethical conduct that comes to their attention, including the presence of slavery or human trafficking in the supply chain.

For more information on our commitment to legal and ethical integrity in our supply chain, please review our Supplier Code of Conduct by clicking on the link provided above.

Adopted by the Board of Directors

January 24, 2012



Key Technology, Inc.

SUPPLIER CODE OF CONDUCT

At Key Technology, we have always set high standards for the way we conduct business - in areas from corporate and social responsibility to sound business ethics, including compliance with all applicable laws and regulations. In turn, we expect the same commitment from our suppliers.

While Key Technology recognizes that different cultural and legal systems exist in the countries in which its suppliers operate, this code of conduct sets forth certain basic requirements that all suppliers to Key Technology must satisfy as a condition of doing business with us.

Compliance with the Law. Suppliers will comply with all applicable laws and regulations in all locations where they conduct business.

Health and Safety. Suppliers will provide their employees with a safe and healthy workplace in compliance with all applicable laws and regulations. Consistent with these obligations, suppliers must have and implement effective programs that encompass life safety, incident investigation, chemical safety, ergonomics, etc., and provide the same standard of health and safety in any housing that is provided for employees. Suppliers should strive to implement management systems to meet these requirements.

Child Labor. Suppliers will not use child labor. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. We support the use of legitimate workplace apprenticeship programs which comply with all laws and regulations applicable to such apprenticeship programs.

Forced Labor. Suppliers will not use forced or involuntary labor of any type (e.g., forced, bonded, indentured or involuntary prison labor); employment is voluntary.

Harassment or Abuse. Suppliers will treat all employees with respect and will not use corporal punishment, threats of violence or other forms of physical coercion or harassment.

Nondiscrimination. Suppliers will not discriminate in hiring and employment practices on grounds of race, religion, age, nationality, social or ethnic origin, sexual orientation,

gender, gender identity or expression, marital status, pregnancy, political affiliation, or disability.

Working Hours. Except in extraordinary business circumstances, workers shall not be required to work (inclusive of overtime) more than the legally prescribed limits or 60 hours, whichever is less, and one day off in every seven day period shall be provided. Production facilities shall comply with applicable laws that entitle workers to vacation time, leave periods and holidays.

Wages and Benefits. Wages are essential for meeting the basic needs of workers. Workers will be compensated by wages, including overtime pay and benefits which satisfy all applicable laws and regulations.

Freedom of Association. Suppliers shall respect the legal rights of employees to join or to refrain from joining worker organizations, including trade unions. Suppliers have the right to establish favorable employment conditions and to maintain effective employee communication programs as a means of promoting positive employee relations that make employees view third-party representation as unnecessary.

Protection of the Environment. Suppliers will operate in a manner that is protective of the environment. At a minimum, suppliers must comply with all applicable environmental laws, regulations and standards, such as requirements regarding chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting. Suppliers must also comply with any additional environmental requirements specific to the products or services being provided to Key Technology as called for in design and product specifications, and contract documents. Suppliers should strive to implement management systems to meet these requirements.

Conflict Materials. Suppliers shall exercise due diligence to ensure they do not source so-called “conflict materials”.

Ethical Dealings. Key Technology expects its suppliers to conduct their business in accordance with the highest ethical standards. Suppliers must strictly comply with all laws and regulations on bribery, corruption and prohibited business practices.

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