

COHU INC  
Form 424B3  
July 30, 2018  
Table of Contents

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-225770

**JOINT PROXY STATEMENT/PROSPECTUS PROPOSED TRANSACTION YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders:

Cohu, Inc., which we refer to as Cohu, Xavier Acquisition Corporation, a wholly owned subsidiary of Cohu, which we refer to as Merger Sub, and Xcerra Corporation, which we refer to as Xcerra, have entered into an agreement and plan of merger, dated as of May 7, 2018 (the Merger Agreement) pursuant to which Merger Sub will merge with and into Xcerra (the Merger), with Xcerra continuing as the surviving corporation of the Merger (the Surviving Corporation) and a wholly owned subsidiary of Cohu. At the effective time of the Merger (the Effective Time), (a) each share of Xcerra's common stock, par value \$0.05 per share (Xcerra Common Stock) issued and outstanding immediately prior to the Effective Time (other than dissenting shares and shares held by Cohu, Merger Sub, Xcerra or any direct or indirect wholly owned subsidiary of Cohu or Xcerra) will be converted into the right to receive (i) \$9.00 in cash, without interest (the Cash Consideration), and (ii) 0.2109 of a validly issued, fully paid and nonassessable share of common stock of Cohu, par value \$1.00 per share (Cohu Common Stock) (the Stock Consideration and, together with the Cash Consideration, the Merger Consideration) and (b) each outstanding Xcerra restricted stock unit (an Xcerra RSU) that either (i) will vest automatically according to its terms at the Effective Time, or (ii) is held by a member of the board of directors of Xcerra, will be cancelled and converted into the right to receive the Merger Consideration. All Xcerra RSUs not described in the preceding sentence that are outstanding and unvested at the Effective Time will be assumed by Cohu and converted into a restricted stock unit award representing that number of shares of Cohu Common Stock equal to the product of (A) the number of shares of Xcerra Common Stock represented by such Xcerra RSU immediately prior to the Effective Time multiplied by (B) the sum of (1) the Stock Consideration plus (2) the quotient of (x) the Cash Consideration divided by (y) the volume weighted average of the trading prices of Cohu Common Stock on each of the three consecutive trading days ending on the trading day that is one trading day prior to the date of the closing of the Merger.

Immediately following the closing of the Merger, Cohu's stockholders will own approximately 71% of the outstanding Cohu Common Stock, and Xcerra's former stockholders will own approximately 29% of the outstanding Cohu Common Stock, based on the number of shares of Cohu and Xcerra Common Stock outstanding as of July 16, 2018. Cohu Common Stock is listed on the NASDAQ Global Select Market (NASDAQ) under the symbol COHU and Xcerra Common Stock is listed on NASDAQ under the symbol XCRA. Upon completion of the Merger, we expect to delist Xcerra Common Stock from NASDAQ.

The Merger will be a taxable transaction for U.S. federal income tax purposes.

Each of Cohu and Xcerra is holding a special meeting of its stockholders (the Cohu Special Meeting and the Xcerra Special Meeting, respectively) in order to obtain the stockholder approvals necessary to consummate the Merger. At the respective special meetings, Xcerra will ask its stockholders to approve the Merger Agreement and Cohu will ask its stockholders to approve the issuance of shares of Cohu Common Stock in connection with the Merger to the extent such issuance would require approval under NASDAQ Stock Market Rule 5635(a), which, subject to certain exceptions, generally requires stockholder approval prior to the issuance of common stock in connection with a merger to the extent such issuance would equal or exceed 20% of the issuer's issued and outstanding common stock

before such issuance (the Stock Issuance Proposal ). Approval of the Stock Issuance Proposal by holders of a majority of the outstanding shares of Cohu Common Stock represented in person or by proxy at the Cohu Special Meeting, and approval of the Merger Agreement by the holders of two-thirds of the outstanding shares of Xcerra Common Stock are conditions to the consummation of the Merger. The obligations of Cohu, Merger Sub and Xcerra to complete the Merger are also subject to the satisfaction or waiver of several other conditions to the Merger set forth in the Merger Agreement and described in this joint proxy statement/prospectus. More information about Cohu, Merger Sub, Xcerra and the Merger is contained in this joint proxy statement/prospectus. **We urge you to read this joint proxy statement/prospectus, and the documents incorporated by reference into this joint proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully Risk Factors beginning on page 27.**

After careful consideration, the board of directors of each of Cohu and Xcerra have determined that the Merger Agreement and the Merger are fair to, advisable and in the best interests of, their respective stockholders. **Accordingly, the Cohu board of directors recommends that the Cohu stockholders vote FOR the Stock Issuance Proposal and FOR the Cohu Adjournment Proposal (as defined in Cohu's *Notice of Special Meeting of Cohu Stockholders to be Held on August 30, 2018* ) and the Xcerra board of directors recommends that the Xcerra stockholders vote FOR the approval of the Merger Proposal (as defined in Xcerra's *Notice of Special Meeting of Xcerra Stockholders to be Held on August 30, 2018* ), FOR the Xcerra Adjournment Proposal (as defined in Xcerra's *Notice of Special Meeting of Xcerra Stockholders to be Held on August 30, 2018* ) and FOR the Xcerra Non-Binding Advisory Proposal (as defined in Xcerra's *Notice of Special Meeting of Xcerra Stockholders to be Held on August 30, 2018* ).**

We are very excited about the opportunities the Merger brings to both Cohu stockholders and Xcerra stockholders, and we thank you for your consideration and continued support.

Luis A. Müller

President and Chief Executive Officer

Cohu, Inc.

David G. Tacelli

President and Chief Executive Officer

Xcerra Corporation

**Table of Contents**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated July 30, 2018, and is first being mailed to Cohu stockholders and Xcerra stockholders on or about July 30, 2018.

**REFERENCES TO ADDITIONAL INFORMATION**

As used in this joint proxy statement/prospectus, Cohu refers to Cohu, Inc. and its consolidated subsidiaries, Merger Sub refers to Xavier Acquisition Corporation, and Xcerra refers to Xcerra Corporation and its consolidated subsidiaries. We or our refers to Cohu. This joint proxy statement/prospectus incorporates important business and financial information about Cohu and Xcerra from documents that each company has filed with the Securities and Exchange Commission, which is referred to as the SEC, but which have not been included in or delivered with this joint proxy statement/prospectus. For a list of documents incorporated by reference into this joint proxy statement/prospectus and how you may obtain them, see *Where You Can Find More Information* beginning on page 188.

**This information is available to you without charge upon your written or oral request. You can also obtain the documents incorporated by reference into this joint proxy statement/prospectus by accessing the SEC's website maintained at <http://www.sec.gov>.**

In addition, Cohu's filings with the SEC are available to the public on Cohu's website, <https://cohu.gcs-web.com/sec-filings>, and Xcerra's filings with the SEC are available to the public on Xcerra's website, <https://Xcerra.com/investors>. Information contained on Cohu's website, Xcerra's website or the website of any other person is not incorporated by reference into this joint proxy statement/prospectus, and you should not consider information contained on those websites as part of this joint proxy statement/prospectus.

**Cohu or its proxy solicitor will provide you with copies of such information that relates to Cohu, without charge, if you request them in writing or by telephone from:**

Cohu, Inc.

12367 Crosthwaite Circle

Poway, California 92064

Attention: Jeffrey D. Jones

(858) 848-8106

E-mail: [corp@cohu.com](mailto:corp@cohu.com)

Okapi Partners LLC

1212 Avenue of the Americas, 24<sup>th</sup> Floor

New York, New York 10036

Edgar Filing: COHU INC - Form 424B3

Banks and Brokerage Firms, call: (212) 297-0720

Stockholders and All Others, call toll-free: (877) 629-6357

Email: [info@okapipartners.com](mailto:info@okapipartners.com)

**Xcerra or its proxy solicitor will provide you with copies of such information that relates to Xcerra, without charge, if you request them in writing or by telephone from:**

Xcerra Corporation

825 University Avenue

Norwood, Massachusetts 02062

Attention: Rich Yerganian

Tel.: (781) 467-5063

E-mail: [rich.yerganian@xcerra.com](mailto:rich.yerganian@xcerra.com)

**Table of Contents**

The Proxy Advisory Group, LLC

Toll free: 888-337-7699 or 888-33PROXY

Collect: 212-616-2180

**If you would like to request documents, please do so by August 23, 2018, in order to receive them before the special meetings.**

Cohu has supplied, and is responsible for, all information contained in or incorporated by reference in this joint proxy statement/prospectus relating to Cohu and Merger Sub, and Xcerra has supplied, and is responsible for, all information contained in or incorporated by reference in this joint proxy statement/prospectus relating to Xcerra. No one else has been authorized to give you any other information, and neither Cohu nor Xcerra takes responsibility for any information that others may give you. This joint proxy statement/prospectus is dated as of July 30, 2018. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any other date or that information incorporated by reference in this joint proxy statement/prospectus is accurate as of any date other than the date of such information. Neither Cohu's nor Xcerra's mailing of this joint proxy statement/prospectus will create any implication to the contrary. This joint proxy statement/prospectus does not constitute an offer to sell any securities, a solicitation of an offer to buy any securities, or the solicitation of a proxy, in each case in any jurisdiction in which such offer or solicitation would be unlawful.

---

Table of Contents

**NOTICE OF SPECIAL MEETING OF COHU STOCKHOLDERS**

**TO BE HELD ON AUGUST 30, 2018**

**To the Stockholders of Cohu, Inc.:**

Cohu, Inc. (Cohu) will hold a special meeting of stockholders (the Cohu Special Meeting) at Cohu's corporate offices, located at 12367 Crosthwaite Circle, Poway, California 92064-6817, on August 30, 2018, at 8:30 a.m., Pacific Time, unless postponed or adjourned to a later date. The Cohu Special Meeting will be held for the following purposes:

**1. to approve the issuance of Cohu common stock in connection with the merger (the Merger) of Xavier Acquisition Corporation (Merger Sub) with and into Xcerra Corporation (Xcerra) with Xcerra continuing as the surviving corporation and a wholly owned subsidiary of Cohu, to the extent such issuance would require approval under NASDAQ Stock Market Rule 5635(a); the Merger is being effected pursuant to the Agreement and Plan of Merger, dated May 7, 2018, by and among Cohu, Merger Sub and Xcerra (the Merger Agreement), a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice (the Stock Issuance Proposal); and**

**2. to approve any adjournment of the Cohu Special Meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Cohu Special Meeting to approve the Stock Issuance Proposal (a Cohu Adjournment Proposal).**

These items of business are described in the accompanying joint proxy statement/prospectus. Please refer to the attached document, including the Merger Agreement and all other annexes, including any documents incorporated by reference, for further information with respect to the business to be transacted at the Cohu Special Meeting. You are encouraged to read the entire document carefully before voting. **In particular, see the section entitled *Risk Factors* beginning on page 27.**

Only Cohu stockholders of record at the close of business on July 30, 2018 are entitled to notice of the Cohu Special Meeting and to vote at the Cohu Special Meeting and any adjournments or postponements of the Cohu Special Meeting. The Cohu board of directors (the Cohu Board) has fixed the close of business on July 30, 2018 as the record date for determination of Cohu stockholders entitled to receive notice of, and to vote at, the Cohu Special Meeting or any adjournments or postponements thereof.

**The Cohu Board has unanimously approved and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Merger, and has determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are fair to, advisable and in the best interests of Cohu and Cohu's stockholders. The Cohu Board has approved and declared fair, advisable and in the best interests of, Cohu and Cohu's stockholders, the issuance of Cohu's common stock in the Merger. The Cohu Board recommends that you vote **FOR** the Stock Issuance Proposal and **FOR** any Cohu Adjournment Proposal.**

In deciding to approve the Merger Agreement and the transactions contemplated thereby, including the Merger and the issuance of Cohu common stock in the Merger, the Cohu Board considered a number of factors, including those listed in the section entitled *Recommendation of the Cohu Board and Cohu's Reasons for the Merger*.

Edgar Filing: COHU INC - Form 424B3

*Your vote is very important regardless of the number of shares of Cohu common stock that you own. Whether or not you plan to attend the Cohu Special Meeting in person, please complete, sign and date the enclosed proxy card(s) as soon as possible and return it in the postage-paid envelope provided, or vote your*

**Table of Contents**

shares of Cohu common stock by telephone or over the Internet as described in the accompanying joint proxy statement/prospectus. Submitting a proxy or voting by telephone or Internet now will not prevent you from being able to vote at the Cohu Special Meeting by attending in person and casting a vote. **However, if you do not return or submit your proxy or vote your shares of Cohu common stock by telephone or over the Internet or vote in person at the Cohu Special Meeting, it will have no effect in determining the outcome of the Stock Issuance Proposal, provided that a quorum is achieved. If you attend the Cohu Special Meeting in person or by proxy, and you abstain from voting, that will have the same effect as a vote AGAINST approval of the Stock Issuance Proposal.**

Cohu stockholders who hold their shares of Cohu common stock in street name and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of Cohu common stock as to how to vote their shares of Cohu common stock with respect to the proposals above. Cohu stockholders who hold their shares Cohu common stock in street name and wish to vote in person at the Cohu Special Meeting must obtain proxies issued in their own names (known as a legal proxy ) from their broker, bank or trustee. Your bank, broker or other nominee cannot vote on any of the proposals, including the proposal to approve the issuance of Cohu common stock in connection with the Merger, without your instructions.

By Order of the Board of  
Directors,

Thomas D. Kampfer  
Secretary  
Poway, California

July 30, 2018

**Please vote your shares promptly. You can find instructions for voting on the enclosed proxy card.**

If you have questions, contact:

Cohu, Inc.

12367 Crosthwaite Circle

Poway, California 92064

Attention: Jeffrey D. Jones

(858) 848-8106

E-Mail: corp@cohu.com

or

Okapi Partners LLC

Table of Contents



1212 Avenue of the Americas, 24<sup>th</sup> Floor

New York, New York 10036

Banks and Brokerage Firms, call: (212) 297-0720

Stockholders and All Others, call toll-free: (877) 629-6357

Email: [info@okapipartners.com](mailto:info@okapipartners.com)

**YOUR VOTE IS VERY IMPORTANT.**

---

**Table of Contents**

**Xcerra Corporation**  
**825 University Avenue**  
**Norwood, Massachusetts 02062**  
**(781) 461-1000**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON AUGUST 30, 2018**

Notice is hereby given that a special meeting of stockholders (the Xcerra Special Meeting) of Xcerra Corporation (Xcerra) will be held on August 30, 2018, at 9:30 a.m., Eastern Time, at Xcerra's headquarters at 825 University Avenue, Norwood, Massachusetts 02062, for the following purposes:

1. To consider and vote on the proposal to approve the Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement), dated May 7, 2018, by and among Cohu, Inc. (Cohu), a Delaware corporation, Xavier Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of Cohu (Merger Sub) and Xcerra. Upon the satisfaction or waiver of the conditions to the closing set forth in the Merger Agreement, Merger Sub will, at the closing, merge with and into Xcerra (the Merger), and Xcerra will become a wholly owned subsidiary of Cohu.
2. To consider and vote on any proposal to adjourn the Xcerra Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the Merger Agreement at the time of the Xcerra Special Meeting (the Xcerra Adjournment Proposal);
3. To consider and vote on the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to Xcerra's named executive officers in connection with the Merger (the Xcerra Non-Binding Advisory Proposal); and
4. To transact any other business that may properly come before the Xcerra Special Meeting or any adjournment, postponement or other delay of the Xcerra Special Meeting.

Only Xcerra stockholders of record as of the close of business on July 27, 2018, are entitled to notice of the Xcerra Special Meeting and to vote at the Xcerra Special Meeting or any adjournment, postponement or other delay thereof.

**The Board of Directors of Xcerra (the Xcerra Board) unanimously recommends that you vote: (1) FOR the approval of the Merger Agreement; (2) FOR any Xcerra Adjournment Proposal; and (3) FOR the Xcerra Non-Binding Advisory Proposal.**

Whether or not you plan to attend the Xcerra Special Meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the Xcerra Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares of Xcerra common stock in street name, you should instruct your bank, broker or other nominee how to vote your shares of Xcerra common stock in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your

bank, broker or other nominee cannot vote on any of the proposals, including the proposal to approve the Merger Agreement, without your instructions.

By the Order of the Xcerra Board,  
Colin J. Savoy

*Corporate Secretary*

Norwood, Massachusetts  
July 30, 2018

Table of Contents

## TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS AND THE MERGER</u>	1
<u>SUMMARY</u>	14
<u>Information About Cohu</u>	14
<u>Information About Merger Sub</u>	14
<u>Information About Xcerra</u>	14
<u>The Merger</u>	15
<u>Recommendations of the Cohu Board and Cohu's Reasons for the Merger</u>	15
<u>Recommendations of the Xcerra Board and Xcerra's Reasons for the Merger</u>	15
<u>Opinions of Financial Advisors</u>	16
<u>Effect of the Merger on Xcerra's Equity Awards</u>	17
<u>Record Date; Outstanding Shares; Shares Entitled to Vote; Vote Required</u>	18
<u>Stock Ownership and Voting by Cohu's and Xcerra's Directors and Executive Officers</u>	20
<u>Interests of Cohu Directors and Executive Officers in the Merger</u>	20
<u>Interests of Xcerra Directors and Executive Officers in the Merger</u>	20
<u>Post-Closing Cohu Board</u>	21
<u>Listing of Cohu Common Stock and Delisting of Xcerra Common Stock</u>	21
<u>Appraisal Rights for Xcerra Stockholders</u>	21
<u>Conditions to the Closing of the Merger</u>	22
<u>Regulatory Approvals Required for the Merger</u>	24
<u>Termination of the Merger Agreement</u>	25
<u>Termination Fees</u>	25
<u>Material United States Federal Income Tax Consequences</u>	25
<u>RISK FACTORS</u>	27
<u>Risk Factors Relating to the Merger</u>	27
<u>Risk Factors Relating to the Combined Company Following the Merger</u>	33
<u>Risk Factors Relating to Cohu's Business</u>	40
<u>Risk Factors Relating to Xcerra's Business</u>	41
<u>FINANCIAL SUMMARY</u>	42
<u>Selected Historical Consolidated Financial Data of Cohu</u>	42
<u>Selected Historical Consolidated Financial Data of Xcerra</u>	43
<u>Selected Unaudited Pro Forma Financial Data</u>	46
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	47
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE FINANCIAL INFORMATION</u>	63
<u>COMPARATIVE PER SHARE MARKET PRICE INFORMATION</u>	65
<u>Cohu</u>	65
<u>Xcerra</u>	66
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	67
<u>THE COHU SPECIAL MEETING</u>	69
<u>Overview</u>	69
<u>Date, Time and Place of the Cohu Special Meeting</u>	69
<u>Purposes of the Cohu Special Meeting</u>	69
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	69
<u>Quorum and Vote Required</u>	69

<u>Stock Ownership and Voting by Cohu's Directors and Executive Officers</u>	70
<u>How to Vote</u>	70
<u>Revoking Your Proxy</u>	71
<u>Other Voting Matters</u>	71
<u>Proxy Solicitations</u>	72
<u>Other Business</u>	72
<u>Assistance</u>	72

**Table of Contents**

<u>THE XCERRA SPECIAL MEETING</u>	75
<u>THE MERGER</u>	82
<u>Overview</u>	82
<u>Merger Consideration</u>	82
<u>Background of the Merger</u>	82
<u>Recommendation of the Cohu Board and Cohu's Reasons for the Merger</u>	95
<u>Recommendation of the Xcerra Board and Xcerra's Reasons for the Merger</u>	97
<u>Opinion of Cohu's Financial Advisor, Deutsche Bank</u>	103
<u>Opinion of Xcerra's Financial Advisor, Cowen</u>	112
<u>Unaudited Prospective Financial Information</u>	124
<u>Board of Directors and Management after the Transaction</u>	130
<u>Stock Ownership of Directors and Executive Officers of Cohu and Xcerra</u>	130
<u>Interests of Cohu Directors and Executive Officers in the Merger</u>	133
<u>Interests of Xcerra Directors and Executive Officers in the Merger</u>	133
<u>Effect of the Merger on Xcerra's Equity Awards</u>	138
<u>Regulatory Approvals Required for the Merger</u>	139
<u>Legal Proceedings</u>	140
<u>Dividend Policy</u>	140
<u>Financing Relating to the Merger</u>	140
<u>Listing of Cohu Common Stock and Delisting of Xcerra Common Stock</u>	142
<u>Appraisal Rights for Xcerra Stockholders</u>	142
<u>Accounting Treatment</u>	145
<u>THE MERGER AGREEMENT</u>	146
<u>Explanatory Note Regarding the Merger Agreement</u>	146
<u>Effects of the Merger: Directors and Officers; Articles of Organization; Bylaws</u>	146
<u>Closing and Effective Time</u>	147
<u>Merger Consideration</u>	147
<u>Treatment of Equity-Based Awards</u>	147
<u>Potential Payments Upon Termination or Change-in-Control</u>	148
<u>Exchange and Payment Procedures</u>	151
<u>Representations and Warranties</u>	151
<u>Conduct of Business Pending the Merger</u>	154
<u>Alternative Acquisition Proposals</u>	158
<u>The Xcerra Board's Recommendation; Xcerra Board Recommendation Change</u>	159
<u>The Cohu Board's Recommendation; Cohu Board Recommendation Change</u>	161
<u>Employee Benefits</u>	163
<u>Financing</u>	164
<u>Efforts to Close the Merger</u>	165
<u>Indemnification and Insurance</u>	165
<u>Other Covenants</u>	166
<u>Conditions to the Closing of the Merger</u>	167
<u>Termination of the Merger Agreement</u>	169
<u>Termination Fees</u>	170
<u>Specific Performance and Other Remedies</u>	171
<u>Fees and Expenses</u>	172
<u>Amendment</u>	172
<u>Governing Law</u>	172
<u>Jurisdiction</u>	172

<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES</u>	173
<u>INFORMATION ABOUT COHU</u>	175
<u>INFORMATION ABOUT MERGER SUB</u>	176
<u>INFORMATION ABOUT XCERRA</u>	176
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS</u>	177

**Table of Contents**

<u>DESCRIPTION OF COHU SHARES</u>	186
<u>VALIDITY OF COHU SHARES</u>	186
<u>EXPERTS</u>	186
<u>SUBMISSION OF FUTURE STOCKHOLDER PROPOSALS</u>	187
<u>Cohu</u>	187
<u>Xcerra</u>	187
<u>Householding</u>	188
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	188
<u>Cohu SEC Filings</u>	189
<u>Xcerra SEC Filings</u>	190
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	A-1
<u>ANNEX B OPINION OF DEUTSCHE BANK SECURITIES INC.</u>	B-1
<u>ANNEX C OPINION OF COWEN AND COMPANY, LLC</u>	C-1
<u>ANNEX D MBCA SECTION 13.02</u>	D-1



---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS AND THE MERGER**

The following questions and answers briefly address some questions that you may have about the special meetings of Cohu and Xcerra and the Merger. They may not include all the information that is important to you. Cohu, Merger Sub and Xcerra urge you to read carefully this entire joint proxy statement/prospectus, including the annexes and the other documents to which we have referred you. We have included cross-references in certain parts of this section to direct you to a more detailed description of each topic presented elsewhere in this joint proxy statement/prospectus.

***Q: What is this document?***

A: This joint proxy statement/prospectus serves as the joint proxy statement through which Cohu and Xcerra provide their respective stockholders with important information regarding their respective special meetings, the Merger and the other transactions contemplated by the Merger Agreement and solicit proxies to obtain approvals from their respective stockholders for the approval of the Merger Agreement (in the case of Xcerra) and the issuance of shares of Cohu common stock, par value \$1.00 per share (Cohu Common Stock), in connection with the Merger (in the case of Cohu), to the extent such issuance requires approval pursuant to NASDAQ Stock Market Rule 5635(a), which, subject to certain exceptions, generally requires stockholder approval prior to issuances of common stock in connection with a merger to the extent such issuance would equal or exceed 20% of the issuer's issued and outstanding common stock before such issuance. It also serves as the prospectus by which Cohu will offer and issue Cohu Common Stock pursuant to the Merger.

***Q: Why am I receiving this joint proxy statement/prospectus?***

A: The board of directors of Cohu (the Cohu Board), the board of directors of Merger Sub, and the board of directors of Xcerra (the Xcerra Board) have each approved the Merger of Merger Sub with and into Xcerra pursuant to the Merger Agreement that is described in this joint proxy statement/prospectus. A copy of the Merger Agreement is attached to this joint proxy statement/prospectus as Annex A. See *The Merger* and *The Merger Agreement* for more information.

In order to complete the transactions contemplated by the Merger Agreement, including the Merger, Xcerra stockholders must approve the Merger Agreement and Cohu stockholders must approve the issuance of shares of Cohu Common Stock in connection with the Merger, as such issuance would equal or exceed 20% of the issued and outstanding Cohu Common Stock before such issuance, and all other conditions to the Merger set forth in the Merger Agreement must be satisfied or waived. Cohu and Xcerra will hold separate special meetings of their respective stockholders to vote on these proposals. This joint proxy statement/prospectus contains important information, which you should read carefully, about the Merger Agreement, the transactions contemplated by the Merger Agreement, including the Merger and the issuance by Cohu of shares of Cohu Common Stock in connection with the Merger, and the respective special meetings of the Cohu stockholders and the Xcerra stockholders.

The enclosed proxy materials allow you to grant a proxy or vote your shares by telephone or Internet without attending Xcerra's or Cohu's respective special meeting in person.

Your vote is important. We encourage you to submit your proxy or vote your shares by telephone or Internet as soon as possible.

***Q: What is the proposed transaction for which I am being asked to vote?***

A: Cohu and Xcerra stockholders are being asked to vote with respect to two distinct matters. Xcerra stockholders are being asked to vote on a proposal to approve the Merger Agreement pursuant to which Merger Sub will merge with and into Xcerra, with Xcerra surviving such Merger as a wholly owned

**Table of Contents**

subsidiary of Cohu. Cohu stockholders are being asked to approve the Stock Issuance Proposal. See *The Merger Overview* and *The Merger Merger Consideration* for more information regarding the Merger and the Merger Consideration.

***Q: What if approval of the Stock Issuance Proposal is not obtained?***

A: The approval by the Cohu stockholders of the Stock Issuance Proposal is a condition to the obligations of the parties to the Merger Agreement to complete the Merger.

If the Cohu stockholders do not approve the issuance of shares of Cohu Common Stock pursuant to the Merger, then the parties are not obligated to consummate the Merger and each party will have the right to terminate the Merger Agreement.

***Q: What if the Xcerra stockholder approval of the Merger Agreement is not obtained?***

A: The approval by the Xcerra stockholders of the Merger Agreement is a condition to the obligations of the parties to the Merger Agreement to complete the Merger.

If Xcerra's stockholders do not approve the Merger Agreement, then the Merger will not be consummated and each party will have the right to terminate the Merger Agreement.

***Q: Why are Cohu and Xcerra proposing the Merger?***

A: The Cohu Board and Xcerra Board each believe that the Merger will provide substantial strategic and financial benefits to the stockholders of Cohu and Xcerra, respectively. To review the reasons for each board of directors approval of the Merger and the transactions contemplated by the Merger Agreement, see *The Merger Recommendation of the Cohu Board and Cohu's Reasons for the Merger* and *The Merger Recommendation of the Xcerra Board and Xcerra's Reasons for the Merger* for more information.

***Q: What are the positions of the Cohu Board and the Xcerra Board regarding the Merger and the related proposals that are being put to a vote of their respective stockholders?***

A: The Cohu Board and the Xcerra Board have each unanimously approved and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Merger, and determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are fair to, advisable and in the best interests of, the Cohu stockholders or Xcerra stockholders, as applicable. The Cohu Board unanimously recommends that Cohu stockholders vote: (1) **FOR** the Stock Issuance Proposal and (2) **FOR** the Cohu Adjournment Proposal at the Cohu Special Meeting. The Xcerra Board unanimously recommends that Xcerra stockholders vote: (1) **FOR** the approval of the Merger Agreement; (2) **FOR** any Xcerra Adjournment Proposal; and (3) **FOR** the Xcerra Non-Binding Advisory Proposal. See *The Merger Recommendation of Cohu's Board*

*of Directors and Cohu's Reasons for the Merger* and *The Merger Recommendation of Xcerra's Board of Directors and Xcerra's Reasons for the Merger* for more information.

***Q: What vote is required to approve each proposal on the agenda for the Cohu Special Meeting?***

A: The approval of the Stock Issuance Proposal requires the affirmative vote of a majority of shares of Cohu Common Stock present in person or represented by proxy at the Cohu Special Meeting and entitled to vote, assuming a quorum is present. If you are a Cohu stockholder who attends the Cohu Special Meeting in person or by proxy, and you abstain from voting, that will have the same effect as a vote **AGAINST** approval of the Stock Issuance Proposal. Shares not in attendance whether by proxy or in person at the Cohu Special Meeting and broker non-votes will have no effect on the outcome of the Stock Issuance Proposal, provided that a quorum is achieved. See *Questions and Answers about the Special Meetings and the Merger - What if I don't provide my bank, broker or other nominee with instructions on how to vote?* for an explanation of broker non-votes.

---

**Table of Contents**

To approve the Cohu Adjournment Proposal, the affirmative vote of a majority of the shares of Cohu Common Stock present in person or represented by proxy at the Cohu Special Meeting and entitled to vote is required, regardless of whether a quorum is present. If you are present in person or represented by proxy at the Cohu Special Meeting abstain from voting, it will have the same effect as a vote **AGAINST** the Cohu Adjournment Proposal, while broker non-votes and shares of Cohu Common Stock not in attendance at the Cohu Special Meeting will have no effect on the outcome of the Cohu Adjournment Proposal. See *The Cohu Special Meeting* for more information.

***Q: What vote is required to approve each proposal on the agenda for the Xcerra Special Meeting?***

A: The affirmative vote of the holders of two-thirds of the outstanding shares of Xcerra's common stock, par value \$0.05 per share (Xcerra Common Stock) on the close of business on July 27, 2018 (the Xcerra Record Date) is required to approve the Merger Agreement. Approval of the Merger Agreement by Xcerra's stockholders is a condition to the closing of the Merger.

Approval of the proposal to Xcerra Adjournment Proposal, whether or not a quorum is present, requires the affirmative vote of a majority of the shares of Xcerra Common Stock having voting power present in person or represented by proxy at the Xcerra Special Meeting and entitled to vote on the subject matter. Approval of the Xcerra Non-Binding Advisory Proposal requires the affirmative vote of a majority of the shares of Xcerra Common Stock having voting power present in person or represented by proxy at the Xcerra Special Meeting and entitled to vote on the subject matter.

If an Xcerra stockholder abstains from voting, that abstention will have the same effect as if the stockholder voted **AGAINST** the proposal to approve the Merger Agreement. For Xcerra stockholders who abstain from voting their shares of Xcerra Common Stock, such abstention will have the same effect as if such Xcerra stockholder voted **AGAINST** any Xcerra Adjournment Proposal and **AGAINST** the Xcerra Non-Binding Advisory Proposal. An abstention occurs when a stockholder attends a meeting either (i) in person, but abstains from voting or (ii) by proxy, by marking the box labeled Abstain. If an Xcerra stockholder signs and returns its proxy card(s) but does not mark its card(s) to tell the proxies how to vote its shares on each proposal, the shares will be voted as recommended by the Xcerra Board.

See *The Xcerra Special Meeting* for more information.

***Q: Why am I being asked to cast a non-binding, advisory vote regarding compensation that will or may become payable to Xcerra's named executive officers in connection with the Merger?***

A: SEC rules require Xcerra to seek a non-binding, advisory vote regarding compensation that will or may become payable by Xcerra to its named executive officers in connection with the Merger.

***Q: What is the compensation that will or may become payable to Xcerra's named executive officers in connection with the Merger for purposes of this advisory vote?***

A: The compensation that will or may become payable by Xcerra to its named executive officers in connection with the Merger is certain compensation that is tied to or based on the Merger and payable to certain of Xcerra's named executive officers. For further detail, see the section captioned *Xcerra Proposal 3: Advisory, Non-binding Vote on Merger-Related Executive Compensation Arrangements*.

***Q: What will happen if stockholders do not approve the compensation that will or may become payable by Xcerra to its named executive officers in connection with the Merger at the Xcerra Special Meeting?***

A: Approval of the Xcerra Non-Binding Advisory Proposal is not a condition to completion of the Merger. The vote with respect to the Xcerra Non-Binding Advisory Proposal is an advisory vote and will not be binding on Xcerra. If the Merger Agreement is approved by the Xcerra stockholders and the Merger is completed, the

**Table of Contents**

compensation that will or may become payable by Xcerra to its named executive officers in connection with the Merger may be paid to Xcerra's named executive officers even if the Xcerra stockholders fail to approve the Xcerra Non-Binding Advisory Proposal.

***Q: What is the difference between holding shares as a stockholder of record and in street name?***

A: If your shares are registered directly in your name with Cohu's or Xcerra's transfer agent, you are considered, with respect to those shares, to be the stockholder of record. In this case, this joint proxy statement/prospectus and your proxy card have been sent directly to you by Cohu or Xcerra.

If your shares are held through a bank, broker or other nominee, you are considered the beneficial owner of shares of common stock held in street name. In that case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You are also invited to attend the Cohu Special Meeting (if you are a beneficial owner of Cohu Common Stock) or the Xcerra Special Meeting (if you are a beneficial owner of Xcerra Common Stock). However, because you are not the stockholder of record, you may not vote your shares of Cohu Common Stock or Xcerra Common Stock in person at the Cohu Special Meeting or the Xcerra Special Meeting, respectively, unless you obtain a legal proxy from your bank, broker or other nominee.

***Q: What will happen in the Merger?***

A: In the Merger, Merger Sub, a wholly owned subsidiary of Cohu, will merge with and into Xcerra, the separate corporate existence of Merger Sub will cease, and Xcerra will continue as the surviving corporation of the Merger (the Surviving Corporation) and a wholly owned subsidiary of Cohu. If the Merger is completed, the Xcerra Common Stock will be delisted from NASDAQ and will be deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act).

***Q: Will the Merger affect the board of directors of Cohu after the Merger?***

A: Yes. At the effective time of the Merger (the Effective Time), two members of the Xcerra Board will be appointed to the Cohu Board.

***Q: What will Xcerra stockholders receive in the Merger?***

A: At the Effective Time, each share of Xcerra Common Stock issued and outstanding immediately prior to the Effective Time (other than (a) dissenting shares and (b) shares held by Cohu, Merger Sub, Xcerra or any direct or indirect wholly owned subsidiary of Cohu or Xcerra (Cancelled Shares)) will be converted into the right to receive (i) \$9.00 in cash, without interest (the Cash Consideration), and (ii) 0.2109 of a validly issued, fully paid and nonassessable share of Cohu Common Stock, (the Stock Consideration) and, together with the Cash

Consideration, the Merger Consideration ).

*Q:*