

**Lam Research Corporation**  
**1999 Employee Stock Purchase Plan**  
**Prospectus**

The date of this prospectus is November 7, 2018

This document constitutes part of a prospectus covering securities that have been registered  
under the Securities Act of 1933

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## INTRODUCTION

The Employee Stock Purchase Plan (the “Purchase Plan” or the “Plan”) is a stock plan offered by Lam Research Corporation (“Lam Research” or the “Company”) to give employees the opportunity to purchase shares of the Company’s Common Stock through accumulated payroll deductions and at a discounted price.

The questions and answers (Q&A) in this prospectus give a summary of the main features of the Plan. The Q&A does not contain all of the terms and conditions of the official Purchase Plan document. Accordingly, if there is any difference between the terms and conditions of the Purchase Plan as described in the Q&A and the provisions of the Purchase Plan document, the Purchase Plan document will govern. A copy of the Purchase Plan is attached as Exhibit A to this prospectus for your reference. You should read the Plan document carefully before deciding whether to participate.

Capitalized terms used in this prospectus have the meanings given to them in Section 2 of the Plan unless otherwise indicated.

## OVERVIEW

### **1. What is the Employee Stock Purchase Plan?**

The Employee Stock Purchase Plan is a stock plan offered by Lam Research to give employees the opportunity to purchase shares of the Company’s Common Stock from the Company through accumulated payroll deductions and at a discounted price.

### **2. Who administers the Purchase Plan?**

The Purchase Plan is administered by the Compensation Committee (the “Compensation Committee”) of the Lam Research Board of Directors (the “Board”). The Board designated this committee to administer the Plan on its behalf. The Compensation Committee will serve as Administrator until the Board, in its discretion, selects a different Administrator. The Administrator oversees all aspects of design and operation of the Plan. It has delegated its authority with respect to the day-to-day administration of the Plan to the Company’s ESPP Committee. The Administrator has final authority on all questions of interpretation, construction and application under the Plan. For non-U.S. sub-plans, the VP of Human Resources has been delegated the authority of the Administrator.

### **3. How many shares are available for purchase under the Plan?**

As of the date of this prospectus, a total of 7,550,771 shares of Lam Research Common Stock had been authorized for issuance under the Plan, of which 273,328 have been purchased by employees.

The number of shares of Common Stock covered by each right to purchase shares under the Plan (a “Purchase Right”), the purchase price per share of those Purchase Rights, and the number of shares of Common Stock that have been authorized for issuance under the Plan but are not yet subject to a Purchase Right, will generally be proportionately adjusted for any increase or

decrease in the total number of the Company's issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of shares of Common Stock that occurs without receipt of consideration by the Company. Section 18 of the Plan describes these types of adjustments in more detail.

All adjustments will be made by the Administrator of the Plan, whose determination in that respect will be final, binding, and conclusive.

**4. Is the Purchase Plan covered by the provisions of ERISA?**

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**5. Is the Purchase Plan a qualified deferred compensation plan?**

The Plan is not a qualified deferred compensation plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code").

**6. What is the history of the Plan? When and how can it be amended or terminated?**

The Plan was adopted by the Company's Board of Directors on September 30, 1998 and approved by our stockholders on November 5, 1998. The Plan was most recently amended and restated effective August 29, 2018 and approved by stockholders on November 6, 2018. The Plan has a term of 10 years until August 28, 2028, unless it is terminated earlier as provided in the Plan. The Compensation Committee or the Board may amend the Plan from time to time. However, the following amendments also require prior approval of the stockholders of the Company:

- Any increase to the number of shares that may be issued under the Plan
- Any change in the class of employees eligible to participate in the Plan
- Any amendment that materially increases the benefits that may accrue to Participants under the Plan

The Board may terminate the Plan or any outstanding Purchase Rights at any time, except to the extent that exercisability of Purchase Rights has been accelerated as described in Q&A 28 below. If the Board terminates the Plan, it may elect to either (i) terminate Purchase Rights upon completion of the purchase of shares on the next Exercise Date (or "Purchase Date"), or (ii) permit Purchase Rights to expire in accordance with their terms, through the end of the then-current Offering Period. If Purchase Rights are terminated before they expire, any funds contributed to the Plan that have not been used to purchase shares will be refunded to Participants as soon as administratively feasible.

## **OPERATION OF THE PURCHASE PLAN**

### **7. How does the Purchase Plan work?**

Employees participate in the Purchase Plan by enrolling in an Offering Period or Interim Offering Period and indicating how much they want to contribute to the Purchase Plan through payroll deductions. An Offering Period will consist of up to two Purchase Periods. An Interim Offering Period will consist of one Purchase Period. Payroll deductions during a Purchase Period will be used to purchase shares at the end of the Purchase Period at a discount. The amount of the discount will vary depending on the fair market value of the Company's Common Stock on the first day of the Offering Period or Interim Offering Period or on the Purchase Date. However, the percentage of the discount will be 15%.

If you elect to enroll in the Plan you will be granted a Purchase Right, at the start of the Offering Period or Interim Offering Period, to purchase shares of our Common Stock on the Purchase Date, with contributions you make through payroll deductions during the Purchase Period. You may designate the amount of your payroll deductions in whole percentages of up to fifteen (15%) of your eligible compensation.

See Q&A 18, "How is the discounted price determined?" for an explanation of how the length of an Offering Period is determined.

### **8. What are Offering Periods, Interim Offering Periods and Offering Dates?**

An Offering Period is a period during which a Participant is enrolled in the Plan. Offering Periods are twelve or six months long. The length of an Offering Period depends upon the price of the Company's Common Stock.

An Interim Offering Period is a partial Offering Period during which a Participant is enrolled in the Plan. An Interim Offering Period is six months long and begins six months into the Offering Period. A Participant can be enrolled in *only one* Offering Period or Interim Offering Period at a time.

An Offering Date is the first business day of an Offering Period or Interim Offering Period. All Offering Periods and Interim Offering Periods begin on either May 1 or November 1 (or the next U.S. business day if the specified date is not a business day, respectively).

See Q&A 18, "How is the discounted price determined?" for an explanation of how the length of an Offering Period is determined.

### **9. What are Purchase Periods and Purchase Dates?**

A Purchase Period is a period of time, within an Offering Period or Interim Offering Period, during which payroll deductions are accumulated and used to purchase shares. See Q&A 14 "What happens to my contributions before I purchase shares?" for additional details regarding how and when payroll deductions are accumulated. There can be up to two Purchase Periods during an Offering Period and up to one Purchase Period during an Interim Offering Period.

Purchase Periods begin on the first day of an Offering Period or Interim Offering Period (see Q&A 8 above), and end on the last U.S. business day in April and October each year.

The Purchase Date is the last day of each Purchase Period. The Purchase Dates are therefore the last U.S. business day(s) in April and October each year.

**10. What happens to my participation once an Offering Period ends?**

You will automatically be enrolled in the next Offering Period unless you actively withdraw from the Plan or become ineligible to participate.

**ELIGIBILITY AND ENROLLMENT**

**11. Who is eligible to participate in the Plan?**

Generally, you are eligible to participate in the Plan if, at the beginning of an Offering Period or Interim Offering Period, you are an “Employee” of Lam Research or a “Designated Subsidiary” of Lam Research (each as defined in the Plan) and you are customarily employed for at least twenty (20) hours per week. Whether an individual qualifies as an Employee will be determined by the Administrator, in its sole discretion, based on Section 3401(c) of the Code and the related regulations. Unless the Administrator makes, or applicable laws require, a contrary determination, the Employees of the Company will be those individuals who satisfy the customary employment criteria set forth above and are carried as employees by the Company or a Designated Subsidiary for regular payroll purposes.

You are not eligible to participate in the Plan if, taking into account your participation in the Plan, you would own five percent (5%) or more of the total combined voting power or value of all classes of our capital stock.

**12. How do I enroll in the Plan?**

If you are eligible to participate in the Plan, you may enroll in the Plan any time during any announced “Open Enrollment” period. The Open Enrollment period is generally during the last two weeks of a Purchase Period, and your enrollment is effective at the beginning of the next Offering Period or Interim Offering Period. Lam Research Stock Plan Services or your local HR team will send an email informing all employees of the Open Enrollment period.

Participants may enroll online through the Fidelity NetBenefits web site. If you become an Employee after the Offering Date of an Offering Period but before an Interim Offering Date during the Offering Period, you may enroll in the Plan effective as of the next Interim Offering Date after your employment begins.

**13. How much may I contribute to the Plan and how is the payroll deduction calculated?**

You may contribute to the Plan through payroll deductions of up to a maximum of fifteen percent (15%) of your eligible compensation, designated in whole percentages. You will be

asked to designate the payroll deduction rate in your subscription agreement. Eligible compensation generally means all regular, straight time gross earnings, but excludes payments for overtime, shift premiums, incentive compensation, incentive payments and compensation, bonuses, commissions and other compensation.

The Payroll deduction is calculated on a pre-tax basis, then deducted post-tax. Therefore, the amount of income you set aside to purchase shares has already been taxed. The compensation to which the payroll deduction percentage is applied is your base salary before any contributions to the 401(k) plan, the Elective Deferred Compensation Plan, or any other employee contribution plan that the Company may offer. It does not include expense reimbursements or allowances, long term disability payments or any income you may realize from options, RSUs or other awards under the Company's stock plans.

**14. What happens to my contributions before I purchase shares?**

The payroll deductions that you authorize will be deducted from your paycheck beginning with the first pay date after the Offering Date or Interim Offering Date starts, and ending on the last pay date in the Offering Period (unless your participation in the Purchase Plan has already terminated). Deductions will be held for you by the Company until the next Purchase Date, and then accumulated again during the remainder of the Offering Period, if any. You will not receive any interest on your accumulated payroll deductions.

The Company may use all payroll deductions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate payroll deductions unless otherwise required under local law. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to the shares.

**15. May I increase or decrease my payroll deductions during an Offering Period?**

Yes. You may increase your rate of payroll deduction during an Open Enrollment Period. You may increase your rate through your Fidelity NetBenefits account. The rate change will not take effect until the first pay date in the next Offering Period or Interim Offering Period.

You may decrease your rate of payroll deductions at any time through your Fidelity NetBenefits account. However, the change will take effect at the end of the current or next subsequent pay period, depending on when the decrease is submitted.

**16. May I make cash contributions to the Purchase Plan in addition to my payroll deductions?**

No. Contributions to the Plan may be made only through payroll deductions.

**PURCHASE OF SHARES**

**17. When do I get to purchase shares of Common Stock with my payroll deductions?**

Shares are purchased only on the last day of a Purchase Period, which will be the last U.S. business day in April and October each year. Fidelity will deposit your shares directly into the brokerage account for you and will deliver the shares as soon as practicable after each Purchase Date. You will receive a confirmation of purchase shortly after your purchase.

There are no commissions or other fees charged when you purchase shares under the Plan. However, when you sell your shares, brokerage commissions and/or fees may apply.

**18. How is the discounted price determined?**

The purchase price for any given Purchase Period is discounted 15% from the lower of the fair market value of the Company’s Common Stock on either:

- (1) The first day of the Offering Period or Interim Offering Period, as applicable **OR**
- (2) The last date of the Purchase Period.

Example:

	<b>Offering Date</b>	<b>First Purchase Date</b>	<b>Second Purchase Date</b>
	Nov 1	Apr 30	Oct 31
FMV	\$170.00	\$175.00	\$180.00
Purchase Price	--	85% X \$170 = \$144.50	85% X \$170 = \$144.50
Benefit from Purchase Date FMV		\$30.50	\$35.50

In this example the purchase price stays the same for two Purchase Dates, because the fair market value of the Company’s Common Stock increased throughout the two Purchase Periods.

If the fair market value of the Company’s Common Stock on the first business day following a Purchase Date is lower than the fair market value on the Offering Date, the Offering Period ends on that Purchase Date. All Participants will automatically be included in a new Offering Period that begins on the first business day after the Purchase Date. Because of the stock price decline, the fair market value on the new Offering Date will be lower on the prior Offering Date. Plan Participants get the benefit of that lower price for up twelve months.

Example:

	<b>Offering Date</b>	<b>First Purchase Date</b>	<b>New Offering Date</b>	<b>First Purchase Date</b>
	Nov 1	April 30	May 1	Oct 31
FMV	\$170.00	\$160.00	\$160.00	\$176.00
Purchase Price	--	85% X \$160 = \$136.00	--	85% X \$160 = \$136.00

Benefit from Purchase Date FMV		\$24.00	--	\$40.00
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**19. Will I make a guaranteed profit if I participate in the Plan?**

No. Whether you profit from your participation in the Plan depends on the price at which you sell the shares purchased under the Plan, as well as any costs of selling the shares (such as commissions), and other factors specific to your particular financial and/or tax situation. The market price for the Company's Common Stock is volatile and can fluctuate quickly and widely. This volatility may affect the price at which you are able to sell shares you purchase under the Plan.

**20. How many shares can I buy?**

Subject to the limits described in the next paragraph, the number of shares you may purchase on any Purchase Date will be equal to your total accumulated payroll deductions for the Purchase Period, divided by the Purchase Price determined as described in Q&A 18. Your accumulated deductions will be used to purchase whole shares of Common Stock. You cannot buy a fraction of a share. Any funds that are less than the discounted price of one share are carried forward into the next Purchase Period. At the end of any Offering Period, excess dollars (ending carry forward amounts) will be refunded to you by Payroll as soon as practicable after the last Purchase Date of the Offering Period.

Notwithstanding the previous paragraph, under applicable U.S. tax regulations, no Participant may accrue Purchase Rights under the Plan (and any other similar plans of the Company and its subsidiaries) at a rate that exceeds \$25,000 of fair market value of the Company's Common stock (determined on the Offering Date) during any calendar year in which the Purchase Rights are outstanding. In addition, no Participant may purchase more than 10,000 shares of the Company's Common Stock during any Offering Period, or more than any other non-zero limit that the Administrator specifies as an alternate share limit, in its sole discretion, prior to the beginning of any Offering Period to which the alternative limit applies. If your contributions would allow you to purchase on any Purchase Date a number of shares that would result in your total purchases exceeding either of these limits, then your excess contributions will be returned to you promptly following the Purchase Date.

If the total number of shares that are to be purchased on a Purchase Date by all Participants exceeds the number of shares available under the Purchase Plan, the Company will make a pro rata allocation of the remaining shares in as uniform a manner as reasonably practicable and in a manner that the Administrator determines to be equitable. The Company will provide written notice of any pro rata allocation to all affected Participants.

**21. May I withdraw from the Purchase Plan at any time?**

Yes. Participants may withdraw through your Fidelity NetBenefits account. Your payroll deductions will stop, and you will receive a refund for the balance in your account with your next

regular paycheck. If you submit your withdrawal near the end of a payroll period, you might not receive your refund until the second regular paycheck.

If you do withdraw from the Purchase Plan, you cannot rejoin until the next Offering Period or Interim Offering Period. This means that you will not get the benefit of the Offering Date price for the Offering Period during which you withdraw from the Plan. Instead, the purchase price after you re-enroll will be based on the fair market value on the Offering Date for the new Offering Period or Interim Offering Period.

**22. If I elect to contribute zero percent (0%) during a Purchase Period, how will my purchase price be determined if I increase my contribution percentage in a subsequent Purchase Period within the same Offering Period?**

Even if you reduce your payroll deduction to 0% you continue to be enrolled in that Offering Period. Therefore, if you resume contributions in another Purchase Period within the same Offering Period you retain the “lock-in” price from the beginning of the Offering Period in which you enrolled. Therefore, your purchase price on the next Purchase Date will be calculated based on the lower of the locked-in price and the fair market value on the Purchase Date.

**23. May I transfer my Purchase Rights or payroll deductions to someone else?**

No. Neither your accumulated payroll deductions, Purchase Rights nor any other rights you have under the Plan can be assigned, transferred, pledged, or otherwise disposed of, with the exception of (i) a transfer pursuant to a will or the laws of descent and distribution, or (ii) a transfer to a designated beneficiary on your death, if you have designated a beneficiary under the Plan. Any attempt to assign, transfer, pledge, or otherwise dispose of your rights shall be ineffective, and the Administrator may treat any attempt as your election to withdraw from the Plan.

**24. Can anyone create a lien on payroll deductions, shares or other property held under the Plan?**

A third party could place a lien (such as a wage garnishment) on the payroll deductions of a specific Participant until the funds are used to purchase shares. The Company’s creditors could also place a lien on the aggregate payroll deductions of all Participants, because those deductions are held by the Company in its general funds. Once you purchase shares, the Company’s creditors have no claim against them, but your personal creditors could treat the shares like other assets you own.

**25. What records will I receive regarding my account?**

Individual accounts at Fidelity will be maintained for each Participant in the Purchase Plan. You will receive quarterly statements of your account from Fidelity. The statements will summarize for the covered period the amount of your payroll deductions, the purchase price of any shares you purchased, the number of shares you purchased, and any remaining cash balance. You may also review the status of your account through Fidelity NetBenefits.

**26. What happens if my employment is terminated?**

Upon termination of a Participant's employment for any reason, including retirement or death, the payroll deductions credited to the Participant's account will be promptly refunded to the Participant or, in the case of death, to the Participant's designated beneficiary.

**27. What happens if I go on a leave of absence?**

If you cease to be an active employee due to a paid leave of absence that is agreed to by the Company in writing, your payroll deductions will continue and will be used to purchase shares on any Purchase Dates during your leave.

If you take an unpaid leave of absence of 90 days or less that is agreed to by the Company in writing, your payroll deductions will cease, but your accumulated payroll deductions will be used to purchase shares on the next Purchase Date during your leave. If a Purchase Date does not occur during your leave of absence, your payroll deductions will be used to purchase shares on the first Purchase Date after you return from your leave of absence.

If your unpaid leave extends beyond 90 days, in most cases your participation in the Plan will cease on the 91<sup>st</sup> day, and your accumulated payroll deductions will be returned to you. However, if your re-employment at the end of your leave of absence is guaranteed by law or under a contract between you and the Company, you will remain enrolled in the Plan during your leave and any remaining accumulated payroll deductions will be used to purchase shares on the next Purchase Date. No additional payroll deductions are possible during an unpaid leave.

If your enrollment in the Plan was terminated during your leave of absence (either by you or the Company) you may rejoin the Plan on your return to active employee status at the commencement of the next Offering Period or Interim Offering Period by following the normal enrollment process.

**28. What happens in the event of a proposed dissolution, liquidation, sale or merger of the Company?**

In the event of a proposed dissolution or liquidation of the Company, the then-current Offering Period will terminate immediately prior to the event, unless otherwise provided by the Board or the Administrator (if the Administrator is not the Board). In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation in which stockholders of the Company own less than 50% of the total outstanding voting power, each Purchase Right under the Plan will generally be assumed or an equivalent Purchase Right shall be substituted by the successor corporation. If the successor corporation does not agree to assume the Purchase Right or to substitute an equivalent Purchase Right, the Administrator may accelerate the exercisability of Purchase Rights, and allow Purchase Rights to be exercisable (if the Board approves) for shares as to which the Purchase Right would not otherwise be exercisable, on terms and for a period that the Administrator determines in its discretion.

## TAX INFORMATION

The following discussion is intended only as *a summary of the general United States federal income tax laws* that apply to participation in the Purchase Plan by U.S. employees. This discussion applies only to the 423(b) Plan (as defined in the Purchase Plan). *It does not cover the impact of state or local tax laws in the United States, or tax laws that apply outside of the United States.* The specific tax consequences for any particular taxpayer will depend upon his or her individual circumstances as well as applicable tax laws. Accordingly, we recommend that you seek advice from a qualified tax adviser regarding your participation in the Plan.

Except with respect to non-423(b) Plan Awards, the Purchase Plan is intended to be an “employee stock purchase plan” within the meaning of Section 423 of the Internal Revenue Code. Under such a plan, you will not have any taxable income to report when you receive or exercise Purchase Rights under the Plan. You will not recognize taxable income until you sell or otherwise dispose of shares you acquired under the Purchase Plan, or you die while you still own shares purchased under the Plan. The Purchase Plan is not a qualified plan under Section 401(a) of the Internal Revenue Code.

### **29. Am I taxed on the money withheld to purchase shares?**

Yes. The money withheld from your wages to purchase shares of Common Stock under the Purchase Plan is taxable income to you just as if you had actually received the money. The amount withheld under the Purchase Plan is subject to all payroll taxes such as Social Security and Medicare, as well as federal, state, and local income taxes.

### **30. Do I pay any federal income tax when I purchase shares under the Purchase Plan?**

No. Even though you are buying the shares of common stock at a discounted price on a Purchase Date, you do not have to pay income tax on this benefit to you at the time of purchase.

### **31. Am I taxed when I sell the shares I purchased under the Plan?**

Yes. You will generally recognize income in the year in which you dispose of your Purchase Plan shares.

### **32. Is any tax withheld when I sell Purchase Plan shares?**

Lam Research and its subsidiaries are not currently required to withhold any income, employment or other taxes when you dispose of Purchase Plan shares. However, if applicable law changes such that we are required to withhold any tax amounts, you must make adequate provision for us to meet these withholding obligations, which may include withholding from your compensation to meet any applicable requirements. Lam Research is required to report to you and the IRS in various instances. We may also, but will not be obligated to, withhold from your compensation the amount necessary for us to meet applicable withholding obligations, including any withholding required to make available to us any tax deductions or benefits attributable to the sale of your shares.

### **33. How is my federal income tax liability determined when I sell my shares?**

Your federal income tax liability will depend on whether you make a qualifying or disqualifying disposition of your Purchase Plan shares. A qualifying disposition is a sale or other disposition of shares that is (a) more than two years after the start of the Offering Period in which you acquired the shares AND (b) more than one year after the Purchase Date. A disqualifying disposition is generally any sale or other disposition that is made before either of these holding period requirements are met.

### **34. How is my tax calculated If I make a qualifying disposition?**

If you make a qualifying disposition, you will generally realize *ordinary income* in the year of disposition equal to the lesser of (a) the amount by which the fair market value of the shares on the date of the qualifying disposition exceeds the purchase price or (b) fifteen percent (15%) of the fair market value of the shares on the Offering Date for the Offering Period in which those shares were acquired. This amount of ordinary income will be added to your cost basis in the shares, and any additional gain you recognized upon the qualifying disposition will be a long-term capital gain. If the fair market value of the shares on the date of the qualifying disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a long-term capital loss.

**Example:** On November 1, 2020, the start date of the Offering Period, the fair market value of the common stock is \$170.00 per share. On the October 31, 2021 Purchase Date, you purchase 200 shares of common stock at a price of \$144.50 per share when the market value is \$175.00 per share. On June 1, 2023 you sell the shares for \$180.00 per share.

Because the sale of the shares is made (a) more than two years after the start date of the Offering Period in which the shares were acquired and (b) more than one year after the Purchase Date, the sale is a qualifying disposition. For federal income tax purposes, your gain will be divided into two components:

Ordinary Income: You will recognize ordinary income in the amount of \$25.50 per share, which is the lower of (a) fifteen percent (15%) of the \$170.00 market price on the Offering Date of the Offering Period or (b) the excess of the \$180.00 per share selling price over the \$144.50 purchase price.

Long-Term Capital: You will recognize a long-term capital gain of \$10.00 per share, which is the excess of the \$180.00 per share selling price over your new basis in the shares (\$144.50 purchase price plus \$25.50 ordinary income).

### **35. How is my tax calculated if I make a disqualifying disposition?**

If you make a disqualifying disposition, you will generally recognize *ordinary income* in the year of the disposition on the difference between (a) the fair market value of the shares on the Purchase Date and (b) the purchase price paid for the shares. The amount of this ordinary income will be added to your basis in the shares, and any resulting gain or loss recognized upon

the disposition will be a capital gain or loss. If the shares have been held for more than one year since the Purchase Date, the gain or loss will be long-term.

**Example:** On November 1, 2020, the start date of the Offering Period, the fair market value of the common stock is \$170.00 per share. On the October 31, 2021 Purchase Date, you purchase 200 shares of common stock at a price of \$144.50 per share when the market value is \$175.00 per share. On June 1, 2022 you sell the shares for \$180.00 per share.

Because the disposition of the shares is made less than one year after the Purchase Date, the sale is a disqualifying disposition of the shares. For federal income tax purposes, your gain upon the sale will be divided into two components:

**Ordinary Income:** You will recognize ordinary income in the amount of \$30.50 per share, the excess of the \$175.00 per share market value of the shares on the Purchase Date over the \$144.50 per share purchase price.

**Short-Term Capital Gain:** You will also recognize a short-term capital gain of \$5.00 per share, the excess of the \$180.00 per share selling price over the \$175.00 per share market value on the Purchase Date.

### **36. What if I die before disposing of the shares?**

Your estate will have ordinary income in the year of your death equal to the lesser of (a) the amount by which the fair market value of the shares on the date of your death exceeds the purchase price paid for the shares or (b) fifteen percent (15%) of the fair market value of the shares on the Offering Date for the Offering Period in which those shares were acquired.

### **37. What are the federal tax consequences to Lam Research?**

If shares purchased by a Participant are disposed of in a qualifying disposition, the Company generally will not be entitled to a federal income tax deduction. If the purchased shares are disposed of in a disqualifying disposition, we will be entitled to a deduction in the year of the disqualifying disposition equal to the amount of ordinary income recognized by the Participant upon the disposition.

## **ADDITIONAL INFORMATION ABOUT THE PURCHASE PLAN AND THIS PROSPECTUS**

### **38. Does the Purchase Plan limit my ability to resell shares acquired under the Purchase Plan?**

The Purchase Plan generally places no limitations upon your ability to sell shares acquired under the Purchase Plan. However, there are other limits as described below.

Our insider trading policy prohibits sales of shares purchased under the Plan during a designated trading blackout period or at any other time that you possess material non-public information about the Company. An exception to the insider trading policy permits automatic purchases of

shares under the Plan at any time, even during periods when sales would be prohibited. The reason for the exception for purchases is that the timing and price are not within the control of the Participants, so there is no opportunity to manipulate the purchase transaction.

There are additional limitations on sales by anyone who is an “affiliate” of the Company, as defined under the Securities Act of 1933, as amended (the “Securities Act”). Generally, our executive officers and members of our board of directors are considered to be “affiliates” for this purpose. If an executive officer purchases shares under the Purchase Plan, he or she is required to sell the shares in compliance with the requirements of Rule 144 under the Securities Act (or another resale exemption available under the Securities Act).

Also, Section 16(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) permits us to recover any profit realized by any executive officer that results from certain sales and purchases, or purchases and sales, of shares of our Common Stock within any period of less than six (6) months. *Purchases* of shares under the Purchase Plan are exempt from Section 16. However, *sales* of shares purchased under the Purchase Plan must be in compliance with Section 16.

**39. What other conditions are associated with the purchase, issuance and delivery of my shares?**

Shares will not be issued under the Purchase Plan unless the issuance and delivery of the shares complies with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act, the Exchange Act, their rules and regulations, and the requirements of any stock exchange upon which our common stock may then be listed, in the judgment of our legal counsel.

**40. What else should I know about this prospectus?**

We may update this prospectus in the future by furnishing to Participants an appendix, memorandum, notice or replacement page containing updated information. We generally will not send you a new prospectus, except upon request. Accordingly, you should keep this prospectus for future reference.

When you consider whether or not to participate in the Plan, you should rely only on the information provided in this prospectus, incorporated by reference or contained in any subsequent prospectus supplement. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell any stock in any state or country where such an offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of this document.

**41. What if I need more information?**

We will make available to you, free of charge, at your written or oral request to the Stock Plan Administrator, a copy of any or all of the documents incorporated by reference in this Prospectus and in the Registration Statement on Form S-8 filed with the SEC relating to the Plan (excluding

any exhibits to these documents). The available documents are listed below under “Incorporation of Documents by Reference.” We will also make available to you copies of all reports, proxy statements and communications distributed to our stockholders in the future.

You may contact our Stock Plan Administrator for documents or additional information as follows:

Lam Research Corporation  
Attn: Stock Plan Administration  
4650 Cushing Parkway  
Fremont, CA 94538

(510) 572-0200 at [stockplan@lamresearch.com](mailto:stockplan@lamresearch.com)

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to “incorporate by reference” information we file with the SEC in our periodic reports. This means that those reports are considered part of this prospectus, and we can disclose important information to you by referring you to those reports. Any reports that we file with the SEC after the date of this prospectus will update and supersede information in this prospectus.

We are incorporating by reference the documents listed below, as well as any future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934.

- Our latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, or the latest prospectus filed pursuant to Rule 424(a) under the Securities Act of 1933, that contains, either directly or by incorporation by reference, audited financial statements for our latest fiscal year for which such statements have been filed.
- All other reports and proxy statements filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act since the end of the fiscal year covered by the annual report or prospectus referred to in the paragraph above.
- The description of our common stock contained in our Registration Statement on Form 8-A, as it may have been amended from time to time.

**EXHIBIT A**

**LAM RESEARCH CORPORATION 1999 EMPLOYEE STOCK PURCHASE PLAN**

**LAM RESEARCH CORPORATION**  
**1999 EMPLOYEE STOCK PURCHASE PLAN**

**Amended and Restated Effective as of August 29, 2018**

**1. Purpose.**

This Amended and Restated Lam Research Corporation 1999 Employee Stock Purchase Plan (“**Plan**”) is amended and restated as of August 29, 2018. The Plan is intended to provide employees of the Company and its Designated Subsidiaries with an opportunity to purchase Common Stock of the Company through accumulated payroll deductions. The Company’s intention is to have the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code (the “**423(b) Plan**”), although the Company makes no undertaking or representation to maintain such qualification. The provisions of the 423(b) Plan, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423(b) of the Code. In addition, this Plan document authorizes the grant of rights to purchase stock pursuant to rules, procedures or sub-plans adopted by the Board or Administrator that are designed to achieve tax, securities law or other Company compliance objectives in particular locations outside the United States.

All grants made to participants outside of the United States shall be deemed to be made under a Non-U.S. Sub-Plan, unless otherwise designated at the time of grant.

**2. Definitions.**

(a) “**Administrator**” means the Board, the Compensation Committee of the Board or any committee the Board may subsequently appoint to administer the Plan pursuant to Section 14 hereof, if one is appointed. If at any time or to any extent the Board shall not administer the Plan, then the functions of the Board specified in the Plan shall be exercised by the Administrator. The VP of Human Resources shall administer the Non-U.S. Sub-Plans of the Plan and shall be the “Administrator” for such purposes.

(b) “**Annual Increase**” means the number of shares of Common Stock that, pursuant to Section 13, may annually be added to the number of shares issuable under the Plan.

(c) “**Board**” means the Board of Directors of the Company.

(d) “**Code**” means the Internal Revenue Code of 1986, as amended.

(e) “**Common Stock**” means the Common Stock of the Company.

(f) “**Company**” means Lam Research Corporation, a Delaware corporation.

(g) “**Compensation**” means all regular, straight-time gross earnings, exclusive of payments for overtime, shift premium, incentive compensation, incentive payments, bonuses, commissions, or other compensation.

(h) “**Continuous Status as an Employee**” means the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company, provided that such leave is for a period of not more than 90 days or re-employment upon the expiration of such leave is guaranteed by contract or statute.

(i) “**Designated Subsidiaries**” means the Subsidiaries that have been designated by the Board or Administrator from time to time in its sole discretion as eligible to participate in this Plan.

(j) “**Employee**” means any person, including an officer or an employee member of the Board of Directors, who is customarily employed for at least 20 hours per week by the Company or one of its Designated Subsidiaries. For purposes of the 423(b) Plan, whether an individual qualifies as an Employee shall be determined by the Administrator, in its sole discretion, by reference to Section 3401(c) of the Code and the regulations promulgated thereunder. Unless the Administrator makes a contrary determination, the Employees of the Company shall, for all purposes of the 423(b) Plan, be those individuals who satisfy the customary employment criteria set forth above and are carried as employees by the Company or a Designated Subsidiary for regular payroll purposes. For purposes of a Non-U.S. Sub-Plan, the Administrator may determine that Employees are eligible to participate even if they are employed for less than twenty (20) hours per week if, in the Administrator’s sole judgment, applicable laws require such a determination.

(k) “**Exercise Date**” means such business days during each Offering Period of this Plan as may be identified by the Administrator pursuant to Section 8 of this Plan.

(l) “**Interim Offering Date**” means the first business day following an Exercise Date other than the last Exercise Date of an Offering Period.

(m) “**Maximum Share Amount**” means the maximum number of shares of Common Stock that a Participant can purchase during any single Offering Period as set forth in Section 3(d)(ii) of this Plan.

(n) “**Non-U.S. Sub-Plan**” shall mean a sub-plan of the Plan that does not necessarily meet the requirements set forth in Section 423(b) of the Code, as amended.

(o) “**Offering Date**” means the first business day of an Offering Period.

(p) “**Offering Period**” means a period established by the Administrator pursuant to Section 4 of this Plan during which payroll deductions are accumulated from Participants and applied to the purchase of Common Stock.

(q) “**Participant**” means an Employee who has elected to participate in this Plan pursuant to Section 5 hereof.

(r) “**Plan**” means this Amended and Restated Lam Research Corporation 1999 Employee Stock Purchase Plan, including both the 423(b) Plan and any Non-U.S. Sub-Plan unless otherwise indicated.

(s) “**Purchase Right**” means a right to purchase Common Stock granted pursuant to Section 7 of this Plan.

(t) “**Subsidiary**” means a corporation, domestic or foreign, of which not less than 50% of the voting shares are held by the Company or a Subsidiary, whether or not such corporation now exists or is hereafter organized or acquired by the Company or a Subsidiary.

(u) “**423(b) Plan**” means an employee stock purchase plan that is designed to meet the requirements set forth in Section 423(b) of the Code, as amended. The provisions of this 423(b) Plan should be construed, administered and enforced in accordance with Section 423(b) of the Code.

### **3. Eligibility; Accrual and Purchase Limits.**

(a) **Regular Participation.** Any person who is, or will be, an Employee on the Offering Date of a given Offering Period shall be eligible to participate in this Plan during such Offering Period, subject to the requirements of Section 5(a) of this Plan.

(b) **Interim Participation.** Any person who becomes an Employee after the Offering Date of an Offering Period and before an Interim Offering Date shall be eligible to participate in this Plan during such Offering Period, but only on and beginning with the first Interim Offering Date on or before which such person becomes an Employee, and subject to the requirements of Section 5(a) of this Plan.

(c) **Exclusion of Five Percent Stockholders.** Notwithstanding paragraphs (a) and (b) of this Section 3, an Employee shall not be eligible to participate in this Plan during an Offering Period to the extent that immediately after the grant of a Purchase Right on an Offering Date or Interim Offering Date, the Employee (or any other person whose stock would be attributed to the Employee under Section 424(d) of the Code) would own stock and/or hold outstanding purchase rights to purchase stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary.

(d) **Accrual and Purchase Limits.** Notwithstanding any other provisions of this Plan or any subscription agreement or other offering documents, no Participant may (i) accrue rights to purchase stock under all employee stock purchase plans of the Company and its Subsidiaries at a rate that exceeds \$25,000 of fair market value of such stock (determined at the date of grant of those purchase rights) for each calendar year in which the purchase rights would be outstanding at any time; or (ii) purchase more than 10,000 shares of the Company’s Common Stock during any Offering Period. Notwithstanding the share limit described in clause 3(d)(ii), the Administrator may designate an alternative shares limit (other than zero) in its sole discretion, prior to the commencement of any Offering Period to which the alternative limit applies. If the Administrator establishes an alternative limit, all participants shall be notified of the alternative limit prior to the commencement of the Offering Period to which the limit first applies. Any alternative limit set by the Administrator shall continue to apply with respect to all succeeding Exercise Dates and Offering Periods unless revised

by the Administrator as provided in this clause 3(d)(ii).

#### **4. *Offering Periods.***

The duration of each Offering Period shall be determined by the Administrator, provided that an Offering Period shall be no shorter than 3 months and no longer than 24 months (measured from the first business day of the first month to the last business day of the last month) and succeeding Offering Periods shall be the same duration unless otherwise determined by the Administrator pursuant to this Section. Unless otherwise determined by the Administrator:

(a) a new Offering Period shall begin on the first business day after the last Exercise Date of an Offering Period;

(b) a new Offering Period shall begin, and the old Offering Period shall terminate, on the first business day after an Exercise Date (other than the last Exercise Date of an Offering Period) if the fair market value (as defined in Section 7(b)(i) of this Plan) of a share of Common Stock is less than the fair market value of a share of Common Stock on the Offering Date of the Offering Period; and

(c) an Offering Period shall terminate on the date that there are no Participants enrolled in it.

#### **5. *Participation.***

(a) An Employee may become a Participant in this Plan by completing a subscription agreement, in such form or forms as the Administrator may approve from time to time, and filing it with the Company's payroll office within 15 days before the applicable Offering Date or Interim Offering Date, unless another time for filing the subscription agreement is set by the Administrator for all Employees with respect to a given Offering Period. The subscription agreement shall authorize payroll deductions pursuant to this Plan and shall have such other terms as the Administrator may specify from time to time.

(b) At the end of an Offering Period, each Participant in the Offering Period who remains an Employee shall be automatically enrolled in the next succeeding Offering Period (a "*Re-enrollment*") unless, in a manner and at a time specified by the Administrator, but in no event later than the day before the Offering Date of such succeeding Offering Period, the Participant notifies the Administrator in writing that the Participant does not wish to be re-enrolled. Re-enrollment shall be at the withholding percentage specified in the Participant's most recent subscription agreement unless the Participant changes that percentage by timely written notice. No Participant shall be automatically re-enrolled whose participation has terminated by operation of Section 10 of this Plan.

(c) If an Offering Period commences pursuant to Section 4(b) of this Plan, each Employee on the Offering Date of that Offering Period shall automatically become a Participant in the commencing Offering Period. Participation shall be at the withholding percentage specified in the Participant's most recent subscription agreement, unless the Participant notice changes that percentage by timely written notice. If the Participant has no subscription agreement on file, Participation shall be at a 0% withholding rate until changed by the Participant. No Participant shall be automatically re-enrolled whose participation has terminated by operation of Section 11 of this Plan.

#### **6. *Payroll Deductions.***

(a) Each Participant shall have withheld a percentage of his or her Compensation received during an Offering Period. Withholding shall be in whole percentages, up to a maximum (not to exceed 15%) established by the Administrator from time to time, as specified by the Participant in his or her subscription agreement. Payroll deductions for a Participant during an Offering Period shall begin with the first payroll following the Offering Date or Interim Offering Date and shall end on the last Exercise Date of the Offering Period, unless sooner terminated by the Participant as provided in Section 11 of this Plan.

(b) All payroll deductions made by a Participant shall be credited to the Participant's account under this Plan. A Participant may not make any additional payments into such account.

(c) A Participant may change the rate of his or her payroll deductions during an Offering Period by filing with the Administrator a new subscription agreement authorizing the change. The change shall take effect 15 days after the Administrator's receipt of the new subscription agreement, except that increases in rate shall take effect on the day after the first Exercise Date on or after the 15th day.

#### **7. *Purchase Rights.***

(a) **Grant of Purchase Rights.** On the Offering Date, or (if applicable) Interim Offering Date of each Offering Period, the Participant shall be granted a Purchase Right to purchase (at the per-share price) during the Offering Period up to the lesser of (a) the number of shares of Common Stock determined by dividing (i) \$25,000 multiplied by the number of (whole or part) calendar years in the Offering Period by (ii) the fair market value of a share of Common Stock on the Offering Date or Interim Offering Date; or (b) the Maximum Share Amount.

(b) **Terms of Purchase Rights.** Except as otherwise determined by the Administrator, each Purchase Right shall have the following terms:

- (i) The per-share price of the shares subject to a Purchase Right shall be 85% of the lower of the fair market values of a share of Common Stock on (a) the Offering Date, or Interim Offering Date, on which the Purchase Right was granted and (b) the Exercise Date. The fair market value of the Common Stock on a given date shall be the closing price as reported in the Wall Street Journal; provided, however, that if there is no public trading of the Common Stock on that date, then fair market value shall be determined by the Administrator in its discretion.
- (ii) Payment for shares purchased by exercise of Purchase Rights shall be made only through payroll deductions in accordance with Section 6 of this Plan.
- (iii) Upon purchase or disposition of shares acquired by exercise of a Purchase Right, the Participant shall pay, or make provision adequate to the Administrator for payment of, all tax (and similar) withholdings that the Administrator determines, in its discretion, are required due to the acquisition or disposition, including without limitation any such withholding that the Administrator determines in its discretion is necessary to allow the Company and its Subsidiaries to claim tax deductions or other benefits in connection with the acquisition or disposition.
- (iv) During his or her lifetime, a Participant's Purchase Right is exercisable only by the Participant.
- (v) The Purchase Rights will in all respects be subject to the terms and conditions of this Plan, as interpreted by the Administrator from time to time.

#### **8. Exercise Dates; Purchase of Shares; Refund of Excess Cash.**

(a) The Administrator shall establish one or more Exercise Dates for each Offering Period.

(b) Each Participant's Purchase Right shall be exercised automatically on each Exercise Date during the Offering Period to purchase the maximum number of full shares up to the Maximum Share Amount at the applicable price using the Participant's accumulated payroll deductions.

(c) The shares purchased upon exercise of a Purchase Right shall be deemed to be transferred to the Participant on the Exercise Date. A Participant will have no interest or voting right in shares covered by a Purchase Right until the Purchase Right has been exercised.

(d) Any cash remaining in a Participant's payroll deduction account after the purchase of shares on an Exercise Date shall be carried forward in that account for application on the next Exercise Date; provided that at the termination of an Offering Period, any such cash shall be promptly refunded returned to the Participant.

#### **9. Limitations on Aggregate Shares to be Purchased.**

If the number of shares to be purchased on an Exercise Date by all Participants in this Plan exceeds the number of shares then available for issuance under this Plan, then the Company shall make a pro rata allocation of the remaining shares in as uniform a manner as shall be reasonably practicable and as the Administrator shall determine to be equitable. In such event, the Company shall give written notice of such reduction of the number of shares to be purchased under a participant's option to each participant affected.

#### **10. Registration and Delivery of Share Certificates.**

(a) Shares purchased by a Participant under this Plan will be registered in the name of the Participant, or in the name of the Participant and his or her spouse, or in the name of the Participant and joint tenant(s) (with right of survivorship), as designated by the Participant.

(b) As soon as administratively feasible after each Exercise Date, the Company shall deliver to the Participant a certificate representing the shares purchased upon exercise of a Purchase Right. If approved by the Administrator in its discretion, the Company may instead (i) deliver a certificate (or equivalent) to a broker for crediting to the Participant's account or (ii) make a notation in the Participant's favor of non-certificated shares on the Company's stock records.

#### **11. *Withdrawal; Termination of Employment.***

(a) A Participant may withdraw all, but not less than all, of the payroll deductions credited to his account under this Plan at any time before an Exercise Date by giving written notice to the Administrator in a form the Administrator prescribes from time to time. The Participant's Purchase Right will automatically terminate on the date of receipt of the notice, all payroll deductions credited to the Participant's account will be refunded promptly thereafter, and no further payroll deductions will be made during the Offering Period.

(b) Upon termination of a Participant's Continuous Status as an Employee for any reason, including retirement or death, the payroll deductions credited to the Participant's account will be promptly refunded to the Participant or, in the case of death, to the person or persons entitled thereto under Section 15 of this Plan, and the Participant's Purchase Right will automatically terminate.

(c) If a Participant fails to remain in Continuous Status as an Employee during an Offering Period, the Participant will be deemed to have withdrawn from this Plan, the payroll deductions credited to the Participant's account will be promptly refunded, and the Participant's Purchase Right shall terminate.

(d) A Participant's withdrawal from an offering will not affect the Participant's eligibility to participate in a succeeding Offering Period or in any similar plan that may be adopted by the Company.

#### **12. *Use of Funds; No Interest.***

Amounts withheld from Participants' Compensation under this Plan shall constitute general funds of the Company and may be used for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions. No interest shall accrue on the payroll deductions of a Participant in this Plan.

#### **13. *Number of Shares Reserved.***

Subject to adjustment as provided in Section 18, the maximum aggregate number of shares of Common Stock available for issuance under the Plan shall be 7,550,771 shares of Common Stock, which may be newly issued or treasury shares, or shares acquired on the open market, the total of which includes 4,995,274 shares of Common Stock which remain available for issuance as of August 29, 2018.

#### **14. *Administration.***

This Plan shall be administered by the Administrator. The administration, interpretation, and application of this Plan by the Administrator shall be final, conclusive, and binding upon all persons. Neither Members of the Board nor the Administrator shall be liable for any action or determination taken or made in good faith with respect to the Plan, or any shares purchased or issued or Purchase Right exercised thereunder. The Administrator may also adopt rules, procedures or sub-plans applicable to particular Subsidiaries or locations. Any such sub-plans may be designed to be outside the scope of Section 423(b) of the Code. The rules of such sub-plans may take precedence over other provisions of this Plan, but unless otherwise superseded by the specific terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. To the extent inconsistent with the requirements of Section 423(b), such sub-plan and rights granted thereunder shall not be considered to comply with Section 423(b) of the Code.

#### **15. *Designation of Beneficiary.***

(a) A Participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the Participant's account under this Plan in the event of the Participant's death.

(b) A designation of beneficiary may be changed by the Participant at any time by written notice. In the event of the death of a Participant, and in the absence of a beneficiary validly designated under this Plan who is living at the time of the Participant's death, the Administrator shall deliver such shares and/or cash to the executor or administrator of the Participant's estate, or if no such executor or administrator has been appointed (to the Administrator's knowledge), the Administrator, in its discretion, may deliver such

shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant or, if no spouse, dependent, or relative is known to the Administrator, then to such other person as the Administrator may designate.

**16. *Transferability.***

Neither payroll deductions credited to a Participant's account nor any rights with regard to the exercise of a Purchase Right or to receive shares under this Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge, or other disposition shall be without effect, except that the Administrator may treat such act as an election to withdraw funds in accordance with Section 11 hereof.

**17. *Reports.***

Individual accounts will be maintained for each Participant in this Plan. Statements of account will be given to participating Employees promptly following each Exercise Date, which statements will set forth the amounts of payroll deductions, the per share purchase price, the number of shares purchased and the remaining cash balance, if any.

**18. *Adjustments upon Changes in Capitalization.***

(a) Subject to any required action by the stockholders of the Company, the number of shares of Common Stock covered by each Purchase Right under this Plan that has not yet been exercised and the number of shares of Common Stock that have been authorized for issuance under this Plan but have not yet been placed under a Purchase Right, including, but not limited to, the Annual Increase (collectively, the "*Reserves*"), as well as the price per share of Common Stock covered by each Purchase Right under this Plan that has not yet been exercised, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company and any repurchase of shares of Common Stock pursuant to Section 13 herein shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination shall be final, binding, and conclusive. Except as expressly provided herein, no issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to a Purchase Right.

(b) In the event of the proposed dissolution or liquidation of the Company, the then-current Offering Period will terminate immediately before the consummation of such proposed action, unless otherwise provided by the Board or the Administrator (if the Administrator is not the Board). In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation (if stockholders of the Company own less than 50% of the total outstanding voting power in the surviving entity or a parent of the surviving entity after the merger), each Purchase Right under this Plan shall be assumed or an equivalent purchase right shall be substituted by the successor corporation or a parent or subsidiary of the successor corporation, unless the successor corporation does not agree to assume the Purchase Right or to substitute an equivalent purchase right, in which case the Administrator may, in lieu of such assumption or substitution, accelerate the exercisability of Purchase Rights, and allow Purchase Rights to be exercisable (if the Board approves) as to shares as to which the Purchase Right would not otherwise be exercisable, on terms and for a period that the Administrator determines in its discretion. To the extent that the Administrator accelerates exercisability of Purchase Rights as described above, it shall promptly so notify all Participants in writing.

(c) The Administrator may, in its discretion, also make provision for adjusting the Reserves, as well as the price per share of Common Stock covered by each outstanding Purchase Right, if the Company effects one or more reorganizations, recapitalizations, rights offerings, or other increases or reductions of shares of its outstanding Common Stock, or if the Company consolidates with or merges into any other corporation.

**19. *Amendment or Termination.***

(a) The Board may at any time terminate or amend in any manner this Plan; except, however, that no amendment may be made without prior approval of the stockholders of the Company (obtained in the manner described in paragraph 21) if it would:

- (i) Increase the number of shares that may be issued under this Plan;
- (ii) Change the designation of the employees (or class of employees) eligible for participation in this Plan; or

- (iii) If the Company has a class of equity securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), at the time of such amendment, materially increase the benefits that may accrue to Participants under this Plan.

If any amendment requiring stockholder approval under this paragraph 19 of this Plan is made after the first registration of any class of equity securities by the Company under Section 12 of the Exchange Act, such stockholder approval shall be solicited as described in paragraph 21 of this Plan.

(b) The Board may elect to terminate any or all outstanding Purchase Rights at any time, except to the extent that exercisability of such Purchase Rights has been accelerated pursuant to Section 18(b) hereof. If this Plan is terminated, the Board may also elect to terminate Purchase Rights upon completion of the next purchase of shares on the next Exercise Date or to permit Purchase Rights to expire in accordance with their terms (with participation to continue through such expiration dates). If Purchase Rights are terminated before expiration, any funds contributed to this Plan that have not been used to purchase shares shall be refunded to Participants as soon as administratively feasible.

## **20. *Notices.***

All notices or other communications by a Participant to the Company or the Administrator under or in connection with this Plan shall be deemed to have been duly given when received in the form specified by the Administrator at the location, or by the person, designated by the Administrator for the receipt thereof.

## **21. *Stockholder Approval.***

(a) Any required approval of the stockholders of the Company pursuant to paragraph 19(a) of this Plan shall be solicited substantially in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

(b) If any required approval by the stockholders of this Plan itself or of any amendment thereto is solicited at any time otherwise than in the manner described in Section 21(a) hereof, then the Company shall, at or before the first annual meeting of stockholders held after the later of (i) the first registration of any class of equity securities of the Company under Section 12 of the Exchange Act or (ii) the granting of a Purchase Right hereunder to an Officer and Director after such registration, do the following:

- (i) furnish in writing to the holders entitled to vote for this Plan substantially the same information that would be required (if proxies to be voted with respect to approval or disapproval of this Plan or amendment were then being solicited) by the rules and regulations in effect under Section 14(a) of the Exchange Act at the time such information is furnished; and
- (ii) file with, or mail for filing to, the Securities and Exchange Commission four copies of the written information referred to in subsection (i) hereof not later than the date on which such information is first sent or given to stockholders.

## **22. *Conditions upon Issuance of Shares.***

(a) Shares shall not be issued with respect to a Purchase Right unless the exercise of such Purchase Right and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of a Purchase Right, the Company may require the person exercising such Purchase Right to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

## **23. *Term of Plan.***

This Plan shall continue in effect for a term of 10 years (until August 28, 2028, pursuant to an amendment and restatement by the Board of Directors on August 29, 2018, unless sooner terminated under Section 19 hereof.

**24. *Additional Restrictions of Rule 16b-3.***

The terms and conditions of Purchase Rights granted hereunder to, and the purchase of shares by, persons subject to Section 16 of the Securities Exchange Act of 1934 shall comply with the applicable provisions of Rule 16b-3 of such Act. This Plan shall be deemed to contain, and such Purchase Rights shall contain, and the shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Securities Exchange Act of 1934 with respect to Plan transactions.