



**Authorized By Title:** Sr. Dir, Global Benefits

## 1.0 Purpose

To provide the following practices for U.S. employees who work 20 hours or more, unless otherwise noted or as limited by applicable law: Paid Time Off (including paid sick leave where required by law), Holiday Pay, Personal Observance Day, Bereavement Leave, Catastrophic Leave, Jury Duty Leave, School and Day Care Activity Leave and Voting Leave.

## 2.0 Scope

These provisions apply to all U.S. regular full and part time employees (excluding Silfex employees unless otherwise noted) working 20 hours a week or more (except that the 20 hours-per-week threshold will not apply if not permitted by an applicable law, such as California's paid sick leave). All other employees are excluded, including, but not limited to, employees who work less than 20 hours per week, and individuals classified by Lam as interns, temporary workers, or independent contractors, unless otherwise required by applicable law. Employees based outside of the U.S. are excluded except as otherwise specifically designated by Lam Research.

For Bereavement, Jury Duty, School and Day Care Leave, employees may be allowed to take unpaid time off even if they have exhausted or are ineligible to take paid time off under these provisions, with manager approval.

Paid time off incorporates the requirements of paid sick leave benefits as mandated by applicable state laws. Employees not eligible for paid time off such as directors and above, and interns are provided with accrued paid sick leave in accordance with their respective state's sick-leave laws. For employees below director, paid sick leave is provided and accrued as part of their existing Paid-Time-Off accruals. The provisions set out below will continue to govern time off for sick leave, subject to any applicable state sick-leave laws. Unless otherwise required by local, state or federal law, up to 40 hours of accrued PTO will be deemed "sick leave" for purposes of determining whether a particular absence is unscheduled. If you have questions about your business group's attendance expectations, refer to GHR – 70767: Global Punctuality and Attendance Practice or consult your manager or HR Business Partner.

## 3.0 Responsibilities and Authorities

### 3.1 Employee Needs to Do

3.1.1 It is the responsibility of all Lam employees to follow these provisions.

### 3.2 Manager Needs to Do

3.2.1 Each manager and supervisor are responsible for implementing the provisions within his or her own area of responsibility.

## 4.0 Definitions / Acronyms

Term	Definition
Not Applicable	

## 5.0 Reference Documents

Reference	Title
Not Applicable	

## 6.0 Quality Control Points

Not Applicable

## 7.0 Method

### 7.1 General Description

#### 7.1.1 PAID TIME OFF

- 7.1.1.1 The Company provides eligible employees with paid time off (PTO) from work. Directors and above, and interns are ineligible under this provision. PTO may be taken for vacation, sick leave, medical appointments, or any other purpose. Eligible employees accrue PTO in accordance with a schedule that can be accessed via the LamBenefits.com website. Service is determined based on date of hire or the employee's adjusted service date if applicable. There is no waiting period before PTO may be taken. Employees may request an advance of unearned PTO time, up to 80 hours. PTO Time is not considered "hours worked" for purposes of calculating overtime.
- 7.1.1.2 Employees working 20 hours or more, but less than 32 hours, on a weekly basis, accrue at two-thirds the rate of employees working 32 hours or more on a weekly basis.
- 7.1.1.3 Employees with accrued and unused PTO must use PTO for vacation and personal leave purposes. Exceptions may be made by the manager if the employee presents unique, extraordinary circumstances.
- 7.1.1.4 Exempt employees are not required to use PTO hours for sick leave purposes and should not report PTO in less than eight (8) hour increments.
- 7.1.1.5 Nonexempt hourly employees are required to record all time off and report PTO hours for sick leave purposes.
- 7.1.1.6 Employees approved for a personal leave of absence (PLOA), will have accrued PTO cashed out at the beginning of the leave of absence. The cash out payment will be made via payroll direct deposit. Employees on PLOA may not borrow against future PTO accruals.
- 7.1.1.7 Employees earn PTO only to a maximum number of hours as noted on the schedule posted on [LamBenefits.com](http://LamBenefits.com). Once the maximum accrual amount has been reached, no additional PTO will be earned until previously accrued PTO is used. No retroactive credit will be given. At year end, unused PTO at or below the maximum accrual amount will carry over to the subsequent year.
- 7.1.1.8 PTO accruals cease on the 1st calendar day of an approved leave of absence.
- 7.1.1.9 If the employee wants to use accrued PTO for a vacation, the employee should request the time off as far in advance as possible. PTO will be scheduled at the discretion of management to provide adequate coverage of jobs and staff requirements.
- 7.1.1.10 When using PTO for illness or injury, employees must notify their supervisor prior to the scheduled starting time; if unable, employees should do so as soon as possible thereafter. For absences beyond seven (7) calendar days, the employee is required to file for a leave of absence as the absences may be protected under the Family Medical Leave Act (FMLA) or other State protected leaves. The company reserves the right to require medical documentation as allowed or required by regulation or the company's benefit program. Employees who exhaust their PTO bank, including borrowed PTO, by taking vacation, sick time, or other personal time off, will not be granted additional time for paid sick leave, other than the usual accrual.
- 7.1.1.11 If state law provides greater or different sick leave benefits, the Company will comply with all requirements.

- 7.1.1.12 Non-exempt employees may use their PTO in increments of roughly 1 minute for partial days off. If taking full days, non-exempt employees are required to post the equivalent PTO hours to cover the full days of absences (for example, if a non-exempt employee working a 12-hour shift has a day off, they must submit PTO for the full 12 working hours of that shift). Management has the discretion to approve partial posting of PTO hours if the employee does not have the accrued PTO hours to cover the full day. Full-time exempt employees must report PTO only in eight (8)-hour increments, regardless of the number of hours they are scheduled to work in a day. Exempt employees who are regularly scheduled to work less than eight (8) hours per day should record PTO to cover their normal hours for the day.
- 7.1.1.13 Accrued, unused PTO will be paid out in the final paycheck upon termination of employment. For employees who have received an advance of unearned PTO time, the Company may request repayment at the time of termination.
- 7.1.1.14 Employees who are rehired to regular employment status within two (2) years of the last day on paid status will have their prior service restored less the time away from Lam to determine their PTO accrual rate.
- 7.1.1.15 As PTO time is provided to afford employees a change in routine and an opportunity for relaxation and recreation, the Company encourages employees to use accrued PTO. Therefore, pay in lieu of PTO is authorized only under the following circumstance:
- 7.1.1.16 Severe Personal Hardship - When employees experience unusual or severe financial hardship, they may request payout of their earned PTO. In general, a severe personal hardship is an unforeseeable emergency typically due to a financial hardship resulting from the employee's medical expenses, eviction, loss of property, natural disaster, or other circumstances beyond the control of the employee. In rare cases, employees who are unable to use PTO due to business/project commitments, can also request a payout if their balances are approaching the maximum accrual level.
- 7.1.1.17 To request payout of PTO, employees must submit a request signed by their manager and a Vice President (and the VP of Total Rewards will have final decision authority).
- 7.1.2 HOLIDAY PAY
- 7.1.2.1 Lam Research Corporation generally provides twelve paid holidays each year. Some years Lam may schedule less than 12 holidays. Generally, the Company will schedule nine company-designated holidays with three additional holidays to be scheduled at the beginning of the year.
- 7.1.2.2 Holiday Schedule
- 7.1.2.2.1 The Holiday schedule can be accessed via GHR website and the LamBenefits.com website. Holidays that fall on Saturday are usually observed on Friday, while those occurring on Sunday are generally observed on Monday.
- 7.1.2.3 Holiday Pay Provisions
- 7.1.2.3.1 To be paid for a holiday, nonexempt employees must be on "active paid status" the workday immediately preceding and following the holiday. Active paid status includes, but is not limited to: paid PTO, bereavement, and jury duty. The only exception to this active paid status rule is when the Company

has designated specific plant shutdown days in which case shutdown days preceding or following a holiday need not be paid in order for employees to receive holiday pay.

#### 7.1.2.3.2

Regular employees and Interns, both part-time and full-time, are paid according to the following guidelines:

- Employees whose regular work schedule is 32 or more hours per week receive eight hours pay for each designated holiday. If you are a non-exempt employee, regularly work a compressed workweek and have shifts longer than 8 hours, you may use PTO to account for the additional hours not covered by holiday pay.
- Employees whose regular work schedule is at least 20 hours per week but less than 32 hours per week receive two-thirds the regular holiday benefit or pay for 5.36 hours.
- Employees whose regular work schedule is less than 20 hours per week receive no holiday pay, unless specifically authorized by the Company.
- Generally, non-exempt employees are not scheduled to work Holidays, but those non-exempt employees required to work on a company-designated holiday will be paid their regular base pay rate plus an additional eight (8) hours of holiday pay.
- Holiday Pay is not considered “hours worked” for determining overtime pay unless the employee works on the holiday.
- Exempt employees are not eligible to receive additional pay for working a company-designated holiday.

#### 7.1.2.4 Winter Shutdown and Other Mid-Year Shutdowns

Lam is generally closed for winter break every year for one or two weeks from mid-December to early January with the specific dates and applicable holiday guidelines to be determined by the Company each year at its discretion. The company may also schedule additional shutdowns at different times of the year based on business needs. Employees may use paid time off (PTO) or unpaid time to cover non- holidays falling within the shutdown period. The number of company paid and unpaid days vary every year due to the holiday schedule. Some employees may be required to work during the shutdown due to customer needs, shipping requirements or project deadlines. This will be communicated prior to each shutdown.

#### 7.1.3 Personal Observance Day

7.1.3.1 In support of the company’s inclusion & diversity core value, employees are provided one day off each calendar year to celebrate something or someone meaningful to the employee. A Personal observance day can be one that is significant to the employee’s heritage, honors someone who’s had an impact on the employee’s life, or gives more time to celebrate a birthday, anniversary, or other family occasion.

7.1.3.2 A Personal observance day is available to all regular employees and interns working at least 20 hours or more per week.

- 7.1.3.3 After selecting the personal observance day, employee must notify their manager and post the day on the employee's timecard.
  - 7.1.3.4 Employees will have 8 paid hours to use during the calendar year. Non-exempt employees on a compressed work schedule can use PTO to top-up their pay for the day, if desired.
  - 7.1.3.5 Unused Personal Observance Day hours do not roll over to the next calendar year, and they will not be cashed out if the employee terminates before using it.
- 7.1.4 BEREAVEMENT LEAVE
- 7.1.4.1 The purpose of this provision is to provide employees with paid bereavement leave for absences related to a recent death of a family member or a close family friend. Alternatively, the leave can be taken to be with the family member or the close family friend before they pass away. The bereavement leave is paid based on scheduled hours.
  - 7.1.4.2 Employees can take up to ten (10) days up to a maximum of 80 hours of paid bereavement leave for the death of an immediate family member: spouse or domestic partner, child, child of domestic partner, step-child, foster child, parent, step-parent, parent-in-law, sibling, step-sibling, brother-in-law, sister-in-law, grandparent or grandchild. This also includes pregnancy loss of employee and/or their spouse or domestic partner.
  - 7.1.4.3 For other family members or a close family friend, employees can take up to five (5) days up to a maximum of 40 hours of paid bereavement leave.
  - 7.1.4.4 Employees are encouraged to take bereavement leave in one continuous period and leave should be used within 3 months of the death. Management may grant an exception for unique circumstances.
  - 7.1.4.5 Definition of a Family Member
    - 7.1.4.5.1 Spouse or domestic partner, child or child of domestic partner, step-child or foster child, parent or step-parent, parent-in-law, parent of domestic partner, sibling or step-sibling, brother-in-law or sister-in-law, grandparent, grandchild, niece, nephew, uncle, aunt and cousin.
  - 7.1.4.6 Definition of a close family friend
    - 7.1.4.6.1 A person who is important to you that you may have a strong connection with. Someone who has spent significant time with you and provided support to you and your family either financially or emotionally.
  - 7.1.4.7 Other Death
    - 7.1.4.7.1 With supervisor approval, employees may take up to one (1) day off with pay to attend the funeral of someone other than those listed above - a former spouse, a nonfamily member, a coworker, or a classmate. This time off will be considered by the employee's supervisor on a case-by-case basis.
  - 7.1.4.8 Additional Time Off
    - 7.1.4.8.1 Management may elect to approve additional unpaid time off of up to one week or seven calendar days immediately following bereavement in order for the employee to meet family obligations. Any requests for unpaid time off after bereavement may be considered under the Personal Leave of Absence Practice and is subject to management discretion

and business needs. Accrued PTO must be used if such time is approved, in accordance with the Personal Leave of Absence Practice guidelines.

#### 7.1.4.9 Deaths In The Family While On Leave Of Absence

7.1.4.9.1 Employees on approved leave of absence, and being paid by our leave administrator, are ineligible to receive bereavement leave. If the employee has returned from a leave of absence within one week of the death, the employee is eligible for bereavement leave.

### 7.1.5 CATASTROPHIC LEAVE

7.1.5.1 The purpose of this provision is to provide time off with pay for regular Lam employees in the U.S. (both full time and part time who work 20 or more hours per week) immediately following catastrophic circumstances outside Lam's control that lead to a work stoppage. Time off with pay may be provided when earthquakes, storms, fires, floods, incidents of civil unrest, broad scale pandemics or similar situations occur at the Company's facilities and require evacuation of buildings, or when Lam decides the closure of a campus is required and onsite employees are unable perform their roles (see, e.g., Inclement Weather below).

7.1.5.2 Since catastrophic situations are highly circumstantial, each situation must be reviewed separately by senior management. Following are the minimum guidelines that can apply to catastrophic situations until further direction from senior management and Human Resources can be obtained. Employees should consult the Hours of Work pay practice document in those situations where they reported for work and were then sent home due to a catastrophic situation after reporting.

### 7.1.6 INCLEMENT WEATHER CLOSURES

7.1.6.1 If inclement weather requires a decision to close any Lam campuses or offices, onsite employees who are scheduled to work during the closure period and who cannot work remotely for the closure period will receive pay for their regularly scheduled hours during that period.

7.1.6.2 If the campus or office is open but an employee reasonably determined that is not possible to get to work safely, the employee may choose to use PTO and the absence will be considered excused/approved for purposes of attendance policy tracking.

### 7.1.7 JURY DUTY

7.1.7.1 Full-time and part-time North American employees are eligible for up to four weeks of pay per year while on jury duty, paid at their regular pay rate and scheduled hours, unless the employee works in a state with greater jury duty pay requirements, in which case the Company will comply with applicable law. Employees must give as much advance notice to their immediate supervisor as possible, submitting the official court notice when requested. While there is no time limit to the employee's jury duty service, they will remain on paid status for only four weeks.

#### 7.1.7.2 Benefits

7.1.7.2.1 Employees on jury duty will continue to receive all benefits as they would normally. Regular paycheck deductions for benefits coverage will continue throughout the four-week paid jury duty time period. In addition, employees will continue to accrue PTO throughout their court-verified jury duty.

**7.1.7.3 Work Schedules**

7.1.7.3.1 It is not Lam's intent to have employees committed to both Jury Duty and work when the combination of the two will exceed a normal 40-hour week or create a seven-day work week except in periods of critical need. The Company will comply with all applicable return to work requirements.

**7.1.7.4 Shift Workers**

7.1.7.4.1 Employees with swing or graveyard schedules will not be required to work their scheduled shift if they have Jury Duty during the day except during periods of critical need, unless otherwise prohibited by applicable law.

**7.1.7.5 Overtime Pay**

7.1.7.5.1 Time spent on jury duty is not considered hours worked.

**7.1.7.6 Dismissal from Jury Service**

7.1.7.6.1 Employees who are dismissed from Jury duty will not be required to return to work on the dismissal day if the combination of Jury Duty and hours worked at Lam will exceed a 40-hour week except in periods of critical need, unless otherwise prohibited by applicable law.

7.1.7.6.2 If the employee is excused from Jury Duty during the first half of a scheduled work shift the supervisor may ask the employee to report to work. If the employee is excused from Jury Duty after the first half of a scheduled work shift, the supervisor may excuse the employee until the following day. Employees should phone their supervisor when excused from Jury Duty to determine when the employee should report to work.

**7.1.7.7 Compensation by the Courts**

7.1.7.7.1 Employees may keep any Jury Duty pay the court provides.

**7.1.8 SCHOOL AND DAY CARE ACTIVITY LEAVE**

7.1.8.1 The purpose of this provision is to provide Lam employees unpaid time off to participate in their children's school programs.

7.1.8.2 Employees are eligible to take unpaid time off up to forty (40) hours during each school year to participate in their children's school activities. Unpaid time off per month under this provision may not exceed eight (8) hours without management approval.

7.1.8.3 Employees may use accrued PTO or can take the time off unpaid. Exempt employees must complete a timecard in any week in which they utilize this time off benefits.

**7.1.9 VOTING LEAVE**

7.1.9.1 The purpose of this provision is to provide Lam employees time off to vote.

7.1.9.2 Voting time off will be paid where legally required.

If an employee does not have enough time outside of work hours to vote in an official state-sanctioned election, the employee may take time off during the work hours to vote. Such time off shall be taken at the beginning or the end of the regular work shift, whichever allows for more free time. The time taken off shall be combined with the voting time available outside of working hours to a maximum of three hours combined, unless otherwise

required by applicable state law. Under these circumstances, an employee will be allowed a maximum of three hours of time off during an election day. When possible, an employee requesting time off to vote shall give his or her supervisor at least three days' notice or as otherwise permitted by state law.

## 8.0 Performance Metrics

Parameter	Performance Goal	Owner
Not Applicable		

## 9.0 Records

Record Type	Owner	Location	Retention Period	Disposition
Not Applicable				

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