

**LAM RESEARCH
CALIFORNIA STATE SUPPLEMENT
TO GLOBAL HUMAN RESOURCE POLICIES**

Effective 2013

This Supplement, along with the policies contained in the Global Human Resource Policies, apply to employees who work in the State of California. Neither the Main Global Human Resource Policies nor the California Supplement is intended to create a contract of continued employment or alter the at-will employment relationship. If you have any questions about these policies, please contact Human Resources.

EQUAL EMPLOYMENT OPPORTUNITY (HARASSMENT AND DISCRIMINATION)

As set forth in the Global Human Resource Policies, the Company is committed to equal employment opportunity. In addition to the categories listed in the Global Human Resource Policies, California employees and applicants are also protected from discrimination or harassment based on the following legally protected characteristics: pregnancy (including childbirth, lactation and related medical conditions), sexual orientation, gender, gender identity, gender expression, marital status, domestic partnership status, medical condition, the perception that an individual has one of the above characteristics and any other characteristic protected by applicable federal, state or local law. Discrimination and harassment are unlawful and will not be tolerated.

The Company is committed to providing a work environment free of harassment. As a result, the Company maintains a strict policy prohibiting sexual harassment and harassment based on the legally protected characteristics set forth above.

FAMILY TEMPORARY DISABILITY INSURANCE

Employees are covered by California's Paid Family Leave (PFL) benefit. PFL benefits may be available from the EDD for a leave of absence for the following:

1. For the birth or placement of a child, as defined by the PFL law, for adoption or foster care within one year of the birth or placement of the child; or
2. To care for an immediate family member (spouse, registered domestic partner, child or parent, as defined by the PFL law) who is seriously ill and requires care.

PFL benefits will be coordinated with an otherwise authorized leave of absence and with Lam's California Voluntary Disability Insurance ("VDI"). In such circumstances, the use of PFL benefits and/or paid time off during the leave period will not extend the length of the leave beyond what is required by applicable law and/or Company policy. Employee benefits do not accrue during a leave of absence unless otherwise required by law or by applicable Company policies.

PTO FOR CALIFORNIA EMPLOYEES

The PTO Policy contained in the Global Human Resource Policies applies to California employees and is compliant with California's Kin Care Act. California employees may use up to half of their PTO to take care of an ill family member, including their spouse, registered domestic partner, child, child of a registered domestic partner and parent. This PTO time is legally protected and employees may not be subject to discipline for taking such time off, even if it has not been scheduled ahead of time.

CALIFORNIA FAMILY RIGHTS ACT

The Company complies with all provisions of the California Family Rights Act (“CFRA”). Where permissible under applicable law, leave time under the CFRA runs concurrently with leave time under FMLA (as detailed in the Company’s Global Human Resource Policies). However, if an eligible employee is taking leave time under the CFRA for the purposes of bonding with a new baby or child following adoption, leave time does not run concurrently with leave under the FMLA. Eligible employees may use leave under the CFRA to care for a registered domestic partner with a serious health condition, as defined under applicable law. Employees should contact Human Resources for additional information.

PREGNANCY AND PREGNANCY RELATED DIS ABILITIES

Any employee who is *disabled* by pregnancy, childbirth, or a related medical condition is eligible for a Pregnancy Disability Leave of Absence. There is no length of service requirement.

For purposes of this policy, you are *disabled* when, in the opinion of your healthcare provider, you cannot work at all or are unable to perform any one or more of the essential functions of your job or to perform them without undue risk to yourself, the successful completion of your pregnancy, or to other persons as determined by a health care provider. This term also applies to certain pregnancy-related conditions, such as severe morning sickness or if you need to take time off for prenatal or postnatal care, bed rest, post-partum depression, and the loss or end of pregnancy (among other pregnancy-related conditions that are considered to be disabling).

Reasonable Accommodation for Pregnancy-Related Disabilities

Any employee who is *affected by pregnancy* may also be eligible for a temporary transfer or another accommodation. There is no length of service requirement. You are *affected by pregnancy* if you are pregnant or have a related medical condition, and because of pregnancy, your health care provider has certified that it is medically advisable for you to temporarily transfer or to receive some other accommodation.

The Company will provide a temporary transfer to a less strenuous or hazardous position or duties or other accommodation to an employee *affected by pregnancy* if:

- She requests a transfer or other accommodation;
- The request is based upon the certification of her health care provider as “medically advisable”; *and*
- The transfer or other requested accommodation can be reasonably accommodated pursuant to applicable law.

No additional position will be created and the Company will not discharge another employee, transfer another employee with more seniority, or promote or transfer any

employee who is not qualified to perform the new job as a part of the accommodation process.

Advance Notice and Medical Certification

To be approved for a pregnancy disability leave of absence, a temporary transfer or other reasonable accommodation, you must:

- Provide 30 days' advance notice before the leave of absence, transfer or reasonable accommodation is to begin, if the need is foreseeable;
- Provide as much notice as is practicable before the leave, transfer or reasonable accommodation when 30 days' notice is not foreseeable; and
- Provide a signed medical certification from your health care provider, that states that you are disabled due to pregnancy or that it is medically advisable for you to be temporarily transferred or to receive some other requested accommodation.

The Company may require you to provide a new certification if you request an extension of time for your leave, transfer or other requested accommodation.

Duration

The Company will provide you with a Pregnancy Disability Leave of Absence for the duration of your pregnancy-related disability for up to four (4) months. This leave may be taken intermittently or on a continuous basis, as certified by your health care provider. The four months of leave available to an employee due to her pregnancy related disability is defined as the number of days (and hours) the employee would normally work within four calendar months or 17.33 workweeks.

Any temporary transfer or other reasonable accommodation provided to an employee affected by pregnancy will not reduce the amount of Pregnancy Disability Leave time the employee has available to her unless the temporary transfer or other reasonable accommodation involves a reduced work schedule or intermittent absences from work.

Reinstatement

If you and the Company have agreed upon a definite date of return from your leave of absence or transfer, you will be reinstated on that date if you notify the Company that you are able to return on that date. If the length of the leave of absence or transfer has not been established, or if it differs from the original agreement, you will be returned to work within two (2) business days, where feasible, after you notify the Company of your readiness to return.

Before you will be allowed to return to work in your regular job following a leave of absence or transfer, you must provide the Company with a certification from your health care provider that you can perform safely all of the essential duties of your position, with or without reasonable accommodation. If you do not provide such a release prior to or

upon reporting for work, you will be sent home until a release is provided. This time before the release is provided will be unpaid.

You will be returned to the same or a comparable position upon the conclusion of your leave of absence or transfer. If the same position is not available on your scheduled return date, the Company will provide you a comparable position on your scheduled return date or within 60 calendar days of that return date. However, you will not be entitled to any greater right to reinstatement than if you had not taken the leave. For example, you would have been laid off regardless of the leave, or you would not have been offered a comparable position, then the employee will not be entitled to reinstatement.

Failure to return to work at the conclusion of the leave of absence may result in termination of employment, unless you are taking additional leave provided by law or Company policy or the Company has otherwise approved you to take additional time off.

Integration with Other Benefits.

Pregnancy Disability Leaves of Absence and accommodations that require you to work a reduced work schedule or to take time off from work intermittently are unpaid. You may elect to use accrued PTO during the unpaid leave of absence. However, use of paid time off will not extend the available leave of absence time. PTO hours will not accrue during any unpaid portion of the leave of absence, and you will not receive pay for official holidays that are observed during your leave of absence except during those periods when you are substituting vacation or sick leave for unpaid leave.

Employees should apply for Lam's California VDI benefits through the Company's Benefits Administrator.

Benefits

The Company will maintain an employee's health insurance benefits during an employee's Pregnancy Disability Leave for a period of up to four months (as defined above) on the same terms as they were provided prior to the leave time. If you take additional time off following a Pregnancy Disability Leave that qualifies as California Family Rights Act leave, the Company will continue your health insurance benefits for up to a maximum of 12 workweeks in a 12-month period.

EXAMPLE: You take 17.33 workweeks off due to a pregnancy disability. Assuming you are eligible for FMLA and CFRA leave, your Pregnancy Disability Leave will also be concurrently covered by FMLA and your group health insurance coverage would continue for the entire 17.33 workweek period. If, after your pregnancy disability leave and FMLA leave, has been completed, you wish to take 12 additional weeks off from work to bond with a new baby under CFRA, the Company will continue your health insurance benefits for the 12 workweek period.

In some instances, the Company may recover premiums it paid to maintain health insurance benefits if you fail to return to work following your pregnancy disability leave

for reasons other than taking additional leave afforded by law or Company policy or not returning due to circumstances beyond your control.

MILITARY LEAVE

In addition to the federal protections included in the Company's Global Human Resource Policies, employees in California who serve in the Military are entitled to the rights and protections set forth in the California Military and Veteran's Code. Among other things, the Code prohibits discrimination against members of the military or naval services of the state or the United States, and grants members of the National Guard or U.S. Reserve a temporary leave of absence while engaged in military duty ordered for purposes of military training, drills, encampment, naval cruises, and special exercises or like activities. This leave is not to exceed 17 calendar days annually.

Civil Air Patrol Leave

The Company will not discriminate against an employee for membership in the Civil Air Patrol. Additionally, the Company will not retaliate against an employee for requesting or taking Civil Air Patrol leave.

The Company will provide not less than 10 days per year of leave but no more than 3 days at a time to employees who are volunteer members of the California Wing of the Civil Air Patrol. Employees must have been employed by the Company for at least 90 days immediately preceding the commencement of leave, and must be duly directed and authorized by a political entity that has the authority to authorize an emergency operational mission of the California Wing of the Civil Air Patrol.

Employees must request leave with as much notice as possible in order to respond to an emergency operational mission of the California Wing of the Civil Air Patrol.

Leave under this policy is unpaid. An employee taking leave under this policy will not be required to exhaust accrued PTO or any other type of accrued leave prior to taking unpaid Civil Air Patrol Leave.

Following leave under this policy, an employee must return to work as soon as practicable and must provide evidence of the satisfactory completion of civil air patrol service. If the employee complies with these requirements, the employee will be restored to their prior position without loss of status, pay, or other benefits.

Family Military Leave

Employees who are spouses of certain military personnel may receive up to ten (10) days of unpaid leave during a qualified leave period. For purposes of this policy, a "qualified leave period" means the period during which the individual is on leave from deployment during a period of military conflict. Spouse includes registered domestic partners.

An employee is eligible for leave under this policy if he or she:

1. Is the spouse of a person who: (s) is a member of the Armed Forces of the United States who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or (b) is a member of the National Guard or of the Reserves who has been deployed during a period of military conflict;
2. Works for an average of 20 or more hours per week;
3. Provides notice of his or her intention to take leave within two business days of receiving notice that his or her spouse will be on leave from deployment; and
4. Submits written documentation certifying that their spouse will be on leave from deployment during the time the leave is requested.

Military conflict means either a period of war declared by the United States Congress, or a period of deployment for which a member of a reserve component is ordered to active duty either by the Governor or the President of the United States.

Leave taken under this policy will not affect an employee's right to any other benefits, although an employee may elect to use accrued paid time off during the leave.

The Company will not discriminate against, or tolerate discrimination against, any employee who requests and/or takes leave under this policy.

For more information, please contact Human Resources.

TIME OFF FOR PARENTS' SCHOOL OR DAY CARE ACTIVITIES

If you are a parent, guardian or grandparent with custody of a child in kindergarten or grades 1-12, or a licensed day care center, and you wish to take time off to visit the school or day care center of your child for an activity, you may take off up to eight hours each calendar month (up to a maximum of 40 hours each school year), per child, provided you give reasonable notice to the Company of your planned absence. Employees wishing to take such leave may utilize their existing vacation time or other accrued paid time off. The Company may require documentation from the school noting the date and time of your visit.

If both parents of a child work for the Company, the Company is entitled to allow only one parent -- the first to provide notice -- to take the time off, based on business needs.

You may also be granted time off to attend a school conference involving the possible suspension of your child. Please contact your supervisor or Human Resources if time off is needed for this reason.

TIME OFF FOR VOLUNTEER FIREFIGHTERS, RESERVE PEACE OFFICERS OR EMERGENCY RESCUE PERSONNEL

If you are a registered volunteer firefighter, reserve peace officer, or emergency rescue personnel who intends to perform emergency duty during work hours, please alert your supervisor so the Company is aware of the fact that the employee may have to take time off to perform emergency duty. In the event any employee needs to take time off for this type of emergency duty, a supervisor must be notified before leaving work. All time off for these purposes is unpaid.

Registered volunteer firefighters, reserve peace officers or emergency rescue personnel are eligible to take temporary unpaid leaves of absence for fire or law enforcement training not to exceed 14 days per calendar year.

TIME OFF FOR ADULT LITERACY PROGRAMS

The Company will make reasonable accommodations for any employee who reveals a literacy problem and requests that the Company assist him or her in enrolling in an adult literacy program, unless undue hardship to the Company would result. The Company will also assist employees who wish to seek literacy education training by providing employees a list of locations of local literacy programs.

The Company will take reasonable steps to safeguard the privacy of any employee who identifies himself or herself as an individual with a literacy problem. An employee who wishes to identify himself or herself as such an individual can contact Human Resources directly. Individuals who are performing satisfactorily will not be subject to discriminatory action due to disclosing literacy problems.

While the Company encourages employees to improve their literacy skills, the Company will not reimburse employees for the costs incurred in attending a literacy program.

TIME OFF FOR BONE MARROW OR ORGAN DONATION

Employees who have been employed by the Company for at least 90 days will be provided a leave of absence to undergo a medical procedure to donate bone marrow or an organ to another person. Leave for bone marrow donation may not exceed five workdays in any one-year period. Leave for organ donation may not exceed 30 business days in any one-year period. To qualify for this leave, the employee must submit verification by a physician detailing that there is a medical necessity for the donation, as well as the length of each leave requested. Leave is with pay. The Company is entitled by law to require employees to use accrued time off before they are paid. However, until further notice, at this time employees are not expected to use accrued PTO or other available accrued paid time off. Use of this leave will not be counted against any available FMLA/CFRA time. This is also not considered a break in service for purposes of benefits or seniority.

While on leave, the Company will maintain all group health insurance benefits as if the employee was still at work.

In most circumstances, upon return from this leave, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he/she did not take a leave. For example, if an employee on leave for bone marrow or organ donation would have been laid off had he/she not taken a leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement.

REHABILITATION ACCOMMODATION OF EMPLOYEES SEEKING TREATMENT/REHABILITATION

The Company will attempt to reasonably accommodate employees with chemical dependencies (alcohol or drugs), if they voluntarily wish to seek treatment and/or rehabilitation. Employees desiring assistance should request an unpaid treatment or rehabilitation leave of absence. The Company's support for treatment and rehabilitation does not obligate the Company to employ any person who violates Company policy or whose job performance is impaired because of substance abuse. The Company is also not obligated to reemploy any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this Company policy will not be given a second opportunity to seek treatment or rehabilitation.

OVERTIME

Lam complies with California overtime rules as reflected in GHR policy 1304. The policy shall be interpreted and applied to California law in a manner consistent with California law.

MEAL AND REST BREAK POLICY

Lam complies with California meal and rest break rules as reflected in GHR policy 1302. This supplement explains when the Company expects California employees to take meal periods and rest breaks.

Meal Periods

The Company provides at least a 30-minute meal period to employees who work more than five hours, unless they work six or fewer hours total and elect in writing to waive the first meal period. The Company also provides a second 30-minute meal period to employees who work more than 10 hours in a workday, unless they work twelve or fewer hours total, did not waive the first meal period, and elect in writing to waive the second meal period.

Employees should take their first meal period before the end of the fifth hour of work. For example, an employee who begins work at 8:00 a.m. should start their meal period by no later than 12:30 p.m. in order for the meal period to be completed by the end of the fifth hour at 1:00 p.m.

Employees will be relieved of all of their duties during meal periods and are allowed to leave the premises. Because the Company does not pay non-exempt employees for meal periods, non-exempt employees must record the start and stop times of their meal periods.

Any non-exempt employee who is required to work through some or all of a 30-minute meal period, or who is required to take a late meal period, should complete a California Meal Period and Rest Break Premium Request Form and submit it to his/her manager by no later than the end of the pay period to ensure s/he is compensated properly. If a Premium Request Form is not submitted, the Company will assume that any non-exempt employee who fails to record a meal period in accordance with the policy, did so voluntarily.

Rest Breaks

Employees are authorized and permitted to take a 10-minute paid rest break for every four hours worked, or major fraction thereof. The Company authorizes and permits rest breaks according to the following schedule:

- An employee who works more than 3.5 hours in a workday but who does not work more than 6 hours in a workday is authorized and permitted to take one 10-minute rest break.
- An employee who works more than 6 hours in a workday but who does not work more than 10 hours in a workday is authorized and permitted to take two 10-minute rest breaks.
- A non-exempt employee who works more than 10 hours in a workday but who does not work more than 14 hours in a workday is authorized and permitted to take three 10-minute rest breaks.

Whenever practicable, non-exempt employees should take their rest breaks near the middle of each four-hour work period.

Because rest breaks are paid, non-exempt employees should not clock out for them.

Any non-exempt employee who is not authorized and permitted to take a rest break pursuant to the terms of this Policy should complete a California Meal Period and Rest Break Premium Request Form and submit it to his/her manager by the end of the pay period. Otherwise, the Company will assume the employee either took his/her rest break or voluntarily decided to waive it.

Responsibilities

Employees are expected to take their meal periods and rest breaks in accordance with the applicable guidelines set forth in this Policy. Non-exempt employees may not delay or defer meal periods or rest breaks in order to use the break time as a basis for leaving work early, or extending a meal period.

Management can schedule meal periods and rest breaks for their employees, taking into account their department's operational requirements and may stagger employees' meal periods and/or rest breaks so operational needs are not compromised, so long as the applicable guidelines in this Policy are met. If business needs require an employee to work through all or part of a meal period or rest break, the supervisor must ensure the employee completes and submits a Premium Request Form.

Supervisors may not pressure or coerce employees to "voluntarily" skip their meal periods or rest breaks. Any employee who feels s/he has been pressured or coerced into voluntarily skipping a meal period or rest break should immediately report the situation to the Human Resources Department.

Discipline

Any employee, supervisor, or manager who fails to observe meal period and rest break policies will be subject to discipline, up to and including termination of employment.

In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of this Policy or who cooperate in the Company's investigation of such reports. Any form of retaliation in violation of this Policy will result in disciplinary action, up to and including termination.

**Acknowledgment of Receipt Of
California Meal Period and Rest Break Policy**

I acknowledge that I have been provided with and understand the Company's California Meal Period and Rest Break Policy, and understand that it is effective immediately. I agree to comply with this Policy.

I understand that I may be subject to disciplinary action, up to and including termination of employment, if I violate this Policy.

Employee Name (print)

Employee Signature

Date

Meal Period Waiver
For Less Than 6-Hour Workday

I understand the Company provides a 30-minute, uninterrupted meal period to any employee who works more than five hours on any given workday. I further understand that employees who work six or fewer hours on any given workday may waive the opportunity to receive that meal period. By signing below, I confirm that I am voluntarily electing to waive my employer's obligation to provide a meal period on any day I am scheduled to work six or fewer hours.

I understand I may revoke this waiver at any time by providing written notice of the decision to do so. This waiver will remain in effect unless I exercise the option to revoke it. If I decide to revoke this waiver, I understand my revocation will be effective the next business day.

I understand that any day that I am scheduled to work in excess of six hours, or any day that I do work in excess of six hours, this waiver does not apply and I am required to comply with the California Meal Period and Rest Break Policy.

Employee Name (print)

Employee Signature

Date

Waiver For Second Meal Period

I understand the Company provides a second 30-minute, uninterrupted meal period to any employee who works more than ten hours on any given workday. I further understand that employees who work twelve or fewer hours on any given workday, and who have taken their first meal period, may waive the opportunity to receive that second meal period. By signing below, I confirm that I am voluntarily electing to waive my employer's obligation to provide a second meal period on any day I am scheduled to work twelve or fewer hours and have taken a first meal period.

I understand I may revoke this waiver at any time by providing written notice of the decision to do so. This waiver will remain in effect unless I exercise the option to revoke it. If I decide to revoke this waiver, I understand my revocation will be effective the next business day.

I understand that any day that I am scheduled to work in excess of twelve hours, or any day that I do work in excess of twelve hours, this waiver does not apply and I am required to comply with the California Meal Period and Rest Break Policy.

Employee Name (print)

Employee Signature

Date

Meal Period & Rest Break Premium Authorization Form

- Required to work through some or all of my first, 30-minute meal period on _____
- Required to work through some or all of my second, 30-minute meal period on _____

- Required to take a late meal period on _____
- Not authorized and permitted to take first rest break on _____
- Not authorized and permitted to take second rest break on _____
- Not authorized and permitted to take third rest break on _____

Employee (print first/last name)

Date

Employee ID No. _____

- Approved meal period premium
- Approved rest period premium

Supervisor

Date

Supervisor ID No. _____

Submit approved form to Payroll Department

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